

March 30, 2006

WATERFORD ESTATES CONDITIONAL ANNEXATION AND ZONING AGREEMENT

This Waterford Estates Conditional Annexation and Zoning Agreement ("Agreement") is made and entered into as of this ____ day of _____, 2006 by and between the **City of Lincoln, Nebraska**, a municipal corporation ("City"), **Ridge Development Company**, a Nebraska corporation ("Ridge"), **Southview, Inc.**, a Nebraska corporation ("Southview"), **Developments Unlimited, LLP**, a Nebraska limited liability partnership ("Developments"), **Northern Lights, L.L.C.**, a Nebraska limited liability company ("Northern Lights"), **Thomas O. Meginnis and Karen M. Meginnis**, husband and wife, **Richard W. Meginnis and Lisa J. Meginnis**, husband and wife, **Daniel H. Meginnis and Jill M. Meginnis**, husband and wife, and **Mark W. Meginnis**, an individual, (collectively "Meginnis"), and **Sesostri Temple Holding Corporation**, a Nebraska corporation ("Sesostri").

The parties may hereinafter jointly be referred to as the "Parties" or individually as "Party". Ridge, Southview, Northern Lights and Developments may hereinafter jointly be referred to as "Developer". Developer, Meginnis and Sesostri may hereinafter jointly be referred to as "Landowner". The Developer and Landowner may hereinafter jointly be referred to as the "Parties in Interest".

RECITALS

A. Developer and City desire to cause the urban development of approximately 540 acres of land ("Property") located in the Stevens Creek basin in Lancaster County, Nebraska as shown on the master plan, which is attached hereto as Attachment "A" and incorporated herein by this reference.

B. Developer is the property owner of land located within the Property marked as the "Developer Tract" and the "Finke Tract" on Attachment "B", which is attached hereto and incorporated herein by this reference. Meginnis is the property owner of land located within the Property marked as the "Meginnis Tract" on Attachment "B". Developer has entered into a written joint venture agreement with Meginnis to develop the Meginnis Tract.

C. Southeast Community College ("SCC") is the owner of land located immediately west of the Property in Lancaster County, Nebraska. SCC has advised the City that SCC is willing to have that portion of its property legally described as Lots 15, 16 and that portion of Lot 10 that is not already annexed, all located in Section 23, Township 10 North, Range 7 East of the 6th P.M., Lancaster County, Nebraska, annexed and become a part of the City ("SCC Annexed Property"). The SCC Annexed Property is shown on Attachment "C", which is attached hereto and incorporated herein by this reference, and is presently zoned P Public Use.

D. Sesostris Temple Holding Corporation, a Nebraska nonprofit corporation ("Sesostris"), is presently the property owner of approximately 19.5 acres of land abutting the southeast side of the Property which is marked as the "Sesostris Tract" on Attachment "B". The Developer, Meginnis and Sesostris have entered into an exchange agreement to exchange a portion of the Meginnis Tract for the Sesostris Tract.

E. Developer has requested the City to annex: (i) approximately 300 acres of the Property shown as the Annexed Property on Attachment "C", hereinafter referred to as the "Annexed Property" and (ii) the SCC Annexed Property. The legal description of the Annexed Property and the SCC Annexed Property are more particularly described on Attachment "C".

F. Developer has requested the City to rezone those portions of the Annexed Property as shown on Attachment "D", which is attached hereto and incorporated herein by this reference, from AG Agricultural District to R-3 Residential District and B-2 Planned Neighborhood Business District.

G. Developer has requested the City approve the accompanying Waterford Estates Preliminary Plat of the Annexed Property ("Preliminary Plat").

H. Developer has requested the City to approve the accompanying _____ ("Bond Ordinance"), which is incorporated herein by this reference. Said Bond Ordinance further describes the City's agreement to reimburse the Developer for Impact Fee Facility Improvements described in this Agreement pursuant to Paragraph 10 below.

I. The Waterford Estates Phase A, B, C and D, Utilities and Pavement Schedules are attached hereto, marked as Attachment "E 1 of 4", Attachment "E 2 of 4", Attachment "E 3 of 4" and Attachment "E 4 of 4", respectively (collectively referred to as "Infrastructure Exhibits, Attachment "E"") and are incorporated herein by this reference. The Annexed Property is anticipated to be final

platted and developed in three phases, more or less, and shown as Phase A, B and C on Attachment "E". The City and Developer agree that the proposed phases shown on Attachment "E" are not binding and the phases may be developed out of the sequence shown on Attachment "E". The timing of infrastructure improvements may be modified accordingly. The City and Developer further agree that the subsequent phases designated on Attachment "E" may develop in smaller geographic areas or in subphases. The remaining portion of the Property is anticipated to be annexed and developed in one or more phases (Phase D on Attachment "E"), hereinafter referred to collectively as the "Future Annexed Property." Developer and City anticipate that the Future Annexed Property, or portions thereof, will be annexed, rezoned, and platted at later dates. The parties recognize and understand as part of this Agreement that Developer and City are incorporating the Master Plan as shown in Attachment "A" for the Property merely as an illustrated master plan and are preliminarily agreeing to future responsibilities with respect to future annexation, rezoning, and platting of the Future Annexed Property or portions thereof at a later date based upon said Master Plan, provided that necessary infrastructure improvements identified in Attachment "E" are constructed and available to serve development of the Future Annexed Property.

J. The City has adopted Ordinance No. 18113, hereinafter referred to as the "Impact Fee Ordinance" based upon an impact fee study prepared by Duncan Associates dated October, 2002 that went into effect on June 2, 2003. This Impact Fee Ordinance enables the City to impose a proportional share of the cost of improvement to the water and wastewater systems, arterial streets, and neighborhood parks and trails, necessitated by and attributable to new development.

K. A Complaint for Declaratory and Injunctive Relief has been filed in the District Court of Lancaster County, Nebraska. This Complaint prayed for judgment of the district court declaring the Impact Fee Ordinance invalid and unenforceable and for injunctive relief enjoining the imposition of impact fees. The District Court found the Impact Fee Ordinance to be valid and enforceable as an excise tax. The decision of the District Court has been appealed to the Nebraska Supreme Court.

L. The City is willing to annex the Annexed Property and the SCC Annexed Property, approve the Preliminary Plat, approve the changes of zone and approve the Bond Ordinance as requested by Developer prior to determination as to the validity and enforceability of the Impact Fee Ordinance, provided Developer agrees to make a guaranteed non-refundable contribution to the cost of improving the City's Water System, Water Distribution, Wastewater System, Neighborhood Park

and Trail, and Arterial Street Impact Fee Facilities necessitated by and attributable to the proposed development of the Annexed Property, in the event the Impact Fee Ordinance is held invalid or is otherwise unenforceable.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties do agree as follows:

1. Annexation by the City. The City agrees to annex the Annexed Property and the SCC Annexed Property as provided above in Recital E.

2. Change of Zone. The City agrees to approve a change of zone rezoning the Annexed Property from AG Agricultural District to R-3 Residential District and B-2 Commercial District as provided above in Recital F.

3. Other Governmental Approvals.

A. Preliminary Plat. The City agrees to approve the Preliminary Plat for the Annexed Property as provided above in Recital G.

B. Bond Ordinance. The City agrees to approve the Bond Ordinance as provided above in Recital H.

4. Contributions for Impact Fee Facility Improvements.

A. Water Distribution Impact Fee Facility Contribution. Developer agrees to contribute \$343,518 toward the cost of making Impact Fee Facility Improvements to the City's Water Distribution Impact Fee Facilities attributable to the proposed development of the Annexed Property and Future Annexed Property.

B. Water System Impact Fee Facility Contribution. Developer agrees to contribute \$552,864 toward the cost of making Impact Fee Facility Improvements to the City's Water System Impact Fee Facilities attributable to the proposed development of the Annexed Property and Future Annexed Property.

C. Wastewater Impact Fee Facility Contribution. Developer agrees to contribute \$443,424 toward the cost of making Impact Fee Facility Improvements to the

City's Wastewater Impact Fee Facilities attributable to the proposed development of the Annexed Property and Future Annexed Property.

D. Neighborhood Park and Trail Impact Fee Facility Contribution. Developer agrees to contribute \$298,126 toward the cost of making Impact Fee Facility Improvements to the City's Neighborhood Park and Trail Impact Fee Facilities attributable to the proposed development of the Annexed Property and Future Annexed Property.

E. Arterial Street Impact Fee Facility Contribution. Developer agrees to contribute \$2,304,526 toward the cost of making Impact Fee Facility Improvements to the City's Arterial Street Impact Fee Facilities attributable to the proposed development of the Annexed Property and Future Annexed Property.

The contributions for the above-described Impact Fee Facility Improvements reflect the amounts attributable to 100% development of the Annexed Property as proposed in the Preliminary Plat in 2005 and to the proposed residential portion of the Future Annexed Property based upon the 2005 Impact Fee Schedules for said Impact Fee Facilities, as shown on Attachment "F", which is attached hereto and incorporated herein by this reference.

5. Development of the Annexed Property.

A. Street Improvements.

I. North 98th Street. North 98th Street from "A" Street to Adams Street is shown in the Lincoln City – Lancaster County Comprehensive Plan as an arterial road improvement during the 25-year planning period to be constructed as four lanes plus center turn lanes. Presently, North 98th Street from "O" Street to Holdrege Street does not exist. Based upon the Preliminary Plat and the Infrastructure Exhibits (Attachment "E"), North 98th Street from "O" Street to Holdrege Street will be graded for an ultimate four through lanes with turn lanes and initially constructed as a concrete paved two-lane arterial, offset to the east from center line, with curb and gutter, including the right and left turn lanes and full turn movement intersections at Boathouse Road (¼ mile), Waterford Estates Drive (½ mile), and Moonlight Drive (¼ mile), the right-in and right-out intersections at Waterview Drive, Turtle Creek Road, Meginnis Drive and Black Rapids Road, any required traffic signals and related improvements at "O" Street, Waterford Estates Drive (1/2 mile) and Holdrege

Street, and any required temporary right and left turns lanes in the “O” Street right-of-way at North 98th Street and in the Holdrege Street right-of-way at North 98th Street (collectively “Two-Lane North 98th Street”). Two-Lane North 98th Street includes Arterial Street Impact Fee Facility Improvements and Site-Related Street Improvements. The Arterial Street Impact Fee Improvements consist of the concrete paved two-lane arterial, offset to the east from the center line, with curb and gutter, including the right and left turn lanes and full turn movement intersections at Boathouse Road (¼ mile), Waterford Estates Drive (½ mile), and Moonlight Drive (¼ mile), any required traffic signals and related improvements at “O” Street, Waterford Estates Drive (½ mile), and Holdrege Street, and fifty percent (50%) of any required temporary right and left turn lanes in (i) the “O” Street right-of-way at North 98th Street, and (ii) the Holdrege Street right-of-way at North 98th Street. The Site-Related Improvements consist of the right-in and right-out intersections at Waterview Drive, Turtle Creek Road, Meginnis Drive and Black Rapids Road, and fifty percent (50%) of any required temporary right and left turn lanes in (i) the “O” Street right-of-way at North 98th Street, and (ii) the Holdrege Street right-of-way at North 98th Street. On behalf of the City, the Developer will design, competitively bid, construct and fund the Two-Lane North 98th Street through the City’s Executive Order process in one or more phases as part of the final plat process. The City agrees to subtract the cost of the Arterial Street Impact Fee Facility Improvements portion of the Two-Lane North 98th Street from Developer’s obligation to make the Arterial Street Impact Fee Facility Contribution set forth in Paragraph 4.E. above, and to accordingly reduce Developer’s obligation to guarantee payment of said contribution required in Paragraph 9 below. The City will use its best efforts to include Two-Lane North 98th Street in a future City Six-Year Capital Improvement Program, and show the Arterial Street Impact Fee Facility Improvements portion to be funded by the City, at its expense, in said future Six-Year Capital Improvement Program. The City agrees to use its best efforts to reimburse the Developer for the Arterial Street Impact Fee Facility Improvements cost of the Two-Lane North 98th Street, including the design, grading and construction of the Two-Lane North 98th Street pursuant to Paragraph 10 below. City shall have the right to add water casing that would allow

the “O” Street water line to cross 98th Street to Two-Lane North 98th Street, at the City’s expense. The City agrees to use its best efforts to reach an interlocal agreement with Lancaster County for that portion of the Two-Lane North 98th Street near “O” Street.

II. Holdrege Street. Holdrege Street from North 84th Street to North 98th Street is shown in the Lincoln City – Lancaster County Comprehensive Plan as an arterial road improvement during the 25-year planning period to be constructed as four lanes plus center turn lanes. Holdrege Street from North 98th Street to the proposed East Beltway is shown in the Lincoln City – Lancaster County Comprehensive Plan as an arterial road improvement during the 25-year planning period to be constructed as two lanes plus center turn lanes. Presently, Holdrege Street along the north edge of the Property is a two-lane rural cross section. The City intends to design, grade and construct in the foreseeable future four lanes, plus turn lanes between the west edge of the Property and North 98th Street and two-lanes, plus turn lanes between North 98th Street and the east edge of the Property, along with four full turn movement access points at North 95th Street (¼ mile), North 98th Street (1 mile), North 102nd Street (¼ mile) and North 104th Street (½ mile) abutting the Property along the south side of Holdrege Street, as generally shown on the Preliminary Plat (collectively “Four/Two-Lane Holdrege Street”). The City, at its expense, will design, grade and construct the Four/Two-Lane Holdrege Street. Notwithstanding the above, Developer agrees that if any final plat development under the Preliminary Plat commences greater than one year prior to the City Public Works Director’s best judgment of the City’s anticipated date for constructing the above-described Four/Two-Lane Holdrege Street, then the Developer shall, at its own cost and expense, design and construct temporary right and left turn lanes at each final platted street connection to Holdrege Street as required by the City. The design and construction of temporary right and left turn lanes in the Holdrege Street right-of-way at the intersection of Holdrege Street and North 98th Street shall be part of the design and construction of Two Lane North 98th Street.

III. Dedication of Street Right-of-Way. At the time of the applicable final platting of North 98th Street, the applicable Parties in Interest agree to dedicate, at no

cost to the City, the additional right-of-way needed to provide: (a) 120 feet of right-of-way for North 98th Street between Meginnis Drive and Boathouse Road; (b) 130 feet of right-of-way for North 98th Street between Holdrege Street and Meginnis Drive, and between Boathouse Road and "O" Street; and (c) the additional right-of-way for all turn lanes. At the time of the applicable final platting of Holdrege Street, the applicable Parties in Interest agree to dedicate, at no cost to the City, the additional right-of-way needed to provide (a) 72 feet of right-of-way, (b) 77 feet of right-of-way from the centerline of Holdrege Street, and (iii) the additional right-of-way for all turn lanes, as shown on the Preliminary Plat. Until the applicable street is constructed, the Parties in Interest are entitled to farm the dedicated right-of-ways and easement areas. The Parties in Interest waive and hold the City harmless for damages to crops and/or the Property that is subject to said dedicated right-of-ways and easement areas, when the City constructs the improvements in question.

B. Water Improvements.

I. Water Line in North 98th Street. In order to provide water service to the Annexed Property, a 16-inch water main (approximately 5,650 lineal feet) needs to be constructed in North 98th Street from "O" Street to Holdrege Street generally as shown on the Infrastructure Exhibits (Attachment "E") (collectively "North 98th Street Water Line"). On behalf of the City, the Developer will design, competitively bid, construct and fund the North 98th Street Water Line through the City's Executive Order process in one or more phases as part of the final plat process. The City agrees to subtract the cost of the North 98th Street Water Line from Developer's obligation to make the Water Distribution Impact Fee Facility Contribution set forth in Paragraph 4.A. above, and to accordingly reduce Developer's obligation to guarantee payment of said contribution required in Paragraph 9 below. The North 98th Street Water Line is shown in year five of the City's 2005/2006 Six-Year Capital Improvement Program. The City agrees to use its best efforts to show the North 98th Street Water Line to be funded by the City, at its expense, in year one of the 2009/2010 Six-Year Capital Improvement Program. The City agrees to use its best efforts to reimburse the Developer, by no later than November 2009, for the costs of the North 98th Street Water Line, including the design and construction (not

grading) of the North 98th Street Water Line pursuant to Paragraph 10. The City's best efforts are contingent upon City Council approving the necessary future rate increase(s) for water in the subsequent fiscal years.

II. Water Line in Holdrege Street. In order to provide water service to the Annexed Property, a 16" water main (approximately 3,850 lineal feet) needs to be constructed in Holdrege Street from its existing terminus east to North 98th Street generally as shown on the Infrastructure Exhibits (Attachment "E") (collectively "Holdrege Street Water Line"). On behalf the City, the Developer will design, competitively bid, construct and fund the Holdrege Street Water Line through the City's Executive Order process in one or more phases as part of the final plat process. The City agrees to subtract the cost of the Holdrege Street Water Line from Developer's obligation to make the Water Distribution Impact Fee Facility Contribution set forth in Paragraph 4.A. above, and to accordingly reduce Developer's obligation to guarantee payment of said contribution required in Paragraph 9 below. The Holdrege Street Water Line is shown in year four of the City's 2005/2006 Six-Year Capital Improvement Program. The City agrees to use its best efforts to show the Holdrege Street Water Line to be funded by the City, at its expense, in year one of the 2008/2009 Six-Year Capital Improvement Program. The City agrees to use its best efforts to reimburse the Developer by no later than November, 2008, for the costs of the Holdrege Street Water Line, including the design, grading and construction of the Holdrege Street Water Line pursuant to Paragraph 10 below. The City's best efforts are contingent upon City Council approving the necessary future rate increase(s) for water in the subsequent fiscal years.

III. Obtaining Easements. The City, with the cooperation of the Property Owners, shall acquire all temporary and permanent nonexclusive easements necessary for the construction and operation of the Holdrege Street Water Line as soon as reasonably possible. The costs of the temporary and permanent easements including, but not limited to, the amount of any condemnation award, court costs, expert witness fees, testing fees, interest, and City staff time shall be paid by the Developer and included as part of the project cost of the Holdrege Street

Water Line to be reimbursed to Developer. The City is authorized to utilize condemnation, if necessary, to acquire the temporary and permanent easements.

C. Sanitary Sewer Improvements

I. Stevens Creek Trunk Sewer. As part of the City's utility planning, the City desires to design and construct: (i) a large Stevens Creek gravity flow trunk sewer to first serve the Regent Heights sewer line at approximately the Murdock Trail (Stevens Creek phase II in the CIP); (ii) the gravity flow connection sewer trunk line connecting the Regent Heights Sewer Line to the large Stevens Creek gravity flow trunk sewer at approximately the Murdock Trail (part of Stevens Creek phase II in the CIP); (iii) a large Stevens Creek gravity flow trunk sewer to serve the Tier I, Priority A areas located on the west side of the Stevens Creek Basin at approximately Holdrege Street (Stevens Creek phase III in CIP); and (iv) a gravity flow connection sewer trunk line connecting the Internal Sewer Line (defined below) at the to be abandoned pump station location to the large Stevens Creek gravity flow trunk sewer at approximately Holdrege Street (Stevens Creek phase IV in the CIP), collectively "Stevens Creek Trunk Sewer", as generally shown on Attachment "G", which is attached hereto and incorporated herein by this reference. The completion of (i) and (ii) above will allow the gravity flow connection of the Regent Heights sewer line (including the connection of the sanitary sewer waste from the Pump and Force Main described below) to the Stevens Creek Trunk Sewer. The completion of (iii) and (iv) above will allow the gravity flow connection of the Internal Sewer Line described below to the Stevens Creek Trunk Sewer and abandonment of the Pump and Force Main described below. The City, at its expense, will design, competitively bid, construct and fund the Stevens Creek Trunk Sewer. The City agrees to use its best efforts to design and construct the Stevens Creek Trunk Sewer phase II near the Murdock Trail by August of 2009. The City agrees to use its best efforts to design and construct the Stevens Creek Trunk Sewer phase III to Holdrege Street by August of 2011. The City agrees to use its best efforts to design and construct the Regents Heights connection to Stevens Creek Trunk Sewer near the Murdock Trail by August of 2009. The City agrees to use its best efforts to design and construct the Stevens Creek Trunk Sewer phase IV from Holdrege Street to the internal sewer line at the

pump station by August of 2012, although this is not currently included in the 2005/06 CIP; provided, however, the City agrees to bid this portion of the Stevens Creek Trunk Sewer phase IV as an alternative bid for the Stevens Creek Trunk Sewer phase III to determine whether it is economically feasible to add it to the phase III project. These above dates are as shown in the City's 2005/06 Six-Year Capital Improvement Program and are subject to rate increase approvals and project reprioritization.

II. Pump Station and Force Main. As part of the Developer's Master Plan, the Developer desires to design and construct a pump station and force main lines to be designed and operated to pump, on a temporary basis, sanitary waste generated from the Property to the Regent Heights Sewer Line and, if necessary, to the Northeast Treatment Plant (collectively "Pump and Force Main"). The Pump and Force Main are illustratively shown on Attachment "H", which is attached hereto and incorporated herein by this reference. The Developer, at its expense, will design, construct and fund the operations of the Pump and Force Main. Except as otherwise provided herein, the design, specifications and operations of the Pump and Force Main will be to the satisfaction of the Director of Public Works and Utilities and in accordance with Criteria Numbers 1-21 set forth in the "Policy on Temporary Pump Stations and Force Mains" ("Policy") adopted by Resolution No. A-83112 on December 6, 2004. A copy of the Policy is attached hereto as Attachment "I" and incorporated herein by this reference. The City agrees to timely review the plans for the design, construction and operation of the Pump and Force Main.

a. Receiving Sewer Line Capacity: The Pump and Force Main will discharge into the Regent Heights Trunk Line. The receiving Regent Heights Trunk Line and other down gradient receiving lines have capacity based on current and projected flows to receive the extra flow during the temporary basis for the Annexed Property. The projected capacity assumes a full buildout of any land that is already planned to be served in the Comprehensive Plan. The projected capacity is based on a reasonable buildout of any undeveloped land. In the event the Developer seeks approval of a final plat for the Phase C or D

Property shown on Attachment "E" (or for property in excess of 205 acres if Developer changes the phasing plan) and (i) the gravity flow connection sewer trunk line connecting the Regent Heights Sewer Line to the large Stevens Creek gravity flow trunk sewer has not been constructed by the City, and (ii) the Director of Public Works and Utilities Department determines there is not adequate capacity in the Regent Heights Trunk Line or other down gradient receiving lines, then the Developer, at its expense, shall delay the final plat until the Regent Heights Sewer Line connection is constructed or cause the extension of the force main lines to the Northeast Treatment Plant or to some other point on the Stevens Creek trunk line acceptable to the Director of Public Works and Utilities Department.

b. Stevens Creek Sewer Line Capacity: The new Stevens Creek Sewer Line, when constructed, will have sewer capacity for the Property.

c. Service Area of Pump Station: The Pump and Force Main will be sized to serve the Tier I, Priority A land that is in the same sub-basin which naturally drains to the Property's pump station. The Property's pump station benefits and potentially serves five separate properties (Developer, Meginnis, Sesostris and Finke Tracts and an acreage owned by Donald Wenzl). The pump station will be designed to serve approximately 500 acres. Based upon the annexation described herein, the area to be served by the pump station is contiguous to the city limits and the Property to be served will be inside the city limits prior to service.

d. Notification of Other Affected Properties: The City contacted all other property owners that may reasonably be served by a Pump and Force Main early in the review process to allow other owners to have the same information and determine their interest in the Pump and Force Main. No other property owners have expressed a willingness to participate.

e. Location of Pump Station: The Developer, at its expense,

shall provide the land and related improvements for the pump station as generally shown on Attachment "G", including but not limited to, providing access drives to the pump station facility. The pump station will not be in public right-of-way. The Developer, at its expense, shall be solely responsible for any and all costs of any environmental analysis needed to locate the facility.

f. Obtaining Easements: The Developer, at its expense, shall be responsible for all costs of obtaining easements for the force main lines without any reimbursement from the City. The force main lines will be allowed to be located in arterial street/section road right-of-way, if space is available, without additional payment. The City will support the Developer's efforts to secure the approval of Lancaster County to grant permission to locate the force main lines in the County's right-of-ways, if space is available without additional compensation, as generally shown on Attachment "G". When the force main lines are abandoned, the Developer, at its expense, shall properly remove the force main lines, unless the City and County determines that there is adequate right-of-way for the unused force main lines and all other utilities typically found in the right-of-way.

g. Construction: The Developer, at its expense, shall pay all costs of constructing the Pump and Force Main, without reimbursement from the City. Construction plans shall be approved by the Director of Public Works and Utilities Department and be per City standards. The Pump and Force Main are considered temporary facilities and thus are not eligible for reimbursement under the Impact Fee Ordinance.

h. Pump Station Design Specifications: The Developer will conform to the City design specifications for temporary pump stations and force mains as developed by the Director of the Public Works and Utilities Department. All reasonable costs for any additional review time, outside of the normal executive order process, of the pump station and force main shall be paid for by the Developer.

i. **Ownership and Operation:** The Developer will own or have the legal right to use the Pump and Force Main, land and easements, and the City will operate the Pump and Force Main once inspections have been completed and the facilities are found acceptable.

j. **Operating, Repair and Maintenance Costs:** The Developer will be responsible for all the reasonable and customary costs for operating and maintaining the Pump and Force Main during the time the facilities are in use by the Property. The costs of operating, maintaining, upgrading, permitting, and administering, are all costs of the system that must be paid by the Developer. The City will bill the Developer for such costs and the Developer will pay such costs within thirty (30) days of being billed. In turn, the Developer may bill and collect from other property owners, tenants or homeowners'/business owners' associations who benefit from the facilities. The City shall not have any responsibility to collect monies from any property owners, tenants or homeowners'/business owners' associations who benefit from the facilities. Prior to the City's approval of this Agreement, the Developer will provide a bond, escrow, letter of credit, or other security agreement, approved by the City Attorney for the operating costs over the full estimated six year life time of the facility. The estimate for the operating, repair and maintenance costs is One Hundred Fifty Thousand Dollars (\$150,000) or Twenty-Five Thousand Dollars (\$25,000) per year. The amount of Developer's security may be reduced annually by \$25,000 per year, if the Stevens Creek Trunk Sewer progresses forward in the CIP, as long as security for at least two years of costs is provided.

k. **Closing of the Pump Station:** The Developer, at its expense, shall fund all costs associated with properly abandoning the Pump and Force Main, including any costs for restoring all property in or adjacent to the easements. The Developer shall fund all costs associated with closing and removing the pump station.

l. **Salvage Rights:** The Developer shall have full salvage

rights to the building and equipment for the pump station after it is closed. The future use of the land for the pump station shall be residential. Developer agrees that the Pump and Force Main shall be abandoned and decommissioned within six (6) months from the date the City provides Developer notice to abandon and decommission.

m. Third Party Connections: When an eligible property owner seeks permission from the City to connect and utilize the Pump and Force Main, the City will first determine if there is downstream capacity (taking into account and reserving capacity for the potential sanitary waste capacity of the Property). Next, the City will contact the Developer to obtain the “fair share” contribution that the eligible property owner must reimburse and pay to the Developer for the Developer’s costs for the design, location, financing, right of way, time, construction, operation and other soft and hard costs associated with Developer obtaining the City’s approval of the Pump and Force Main and the design, location, construction and operation of the Pump and Force Main. The City and Developer will also meet and agree upon (i) the proration of the costs to operate and maintain the Pump and Force Main during the time the facilities are in use by the eligible property owner and the Developer; (ii) the reduction, if any, of the Developer’s security held by the City to insure the Developer’s payment of the operating and maintenance costs; and (iii) any other necessary adjustments and amendments to the Pump and Force Main conditions, terms, provisions and agreements described above.

Prior to the City granting approval to an eligible property owner to connect and utilize the Pump and Force Main, the City will secure from the eligible property owner: (i) the eligible property owner’s agreement to be liable for its prorated share of the costs to operate and maintain the Pump and Force Main during the time the facilities are in use by the eligible property owner; (ii) the necessary

bond, escrow, letter of credit, or other security agreement, approved by the City Attorney, to guarantee the eligible property owner's prorated share of operating and maintaining the Pump and Force Main during the time the facilities are in use by the eligible property owner; (iii) the eligible property owner's agreement to reimburse and pay the Developer the "fair share" amount described above; and (iv) the necessary bond, escrow, letter of credit, or other security agreement, approved by the City Attorney and attorney for the Developer, to guarantee payment of the "fair share" amount to the Developer. Prior to the physical connection and utilization of the Pump and Force Main by the eligible property owner, the eligible property owner must pay to the Developer the "fair share" amount in cash or by other means acceptable to the Developer.

III. Phase I Internal Sewer Line. In order to provide gravity sewer service to the Annexed Property, an internal 36-inch sanitary sewer line (1,175 feet) and an internal 15-inch sanitary sewer line (4,500 feet) need to be constructed generally as shown on the Infrastructure Exhibits (Attachment "E") (collectively "Phase I Internal Sewer Line"). On behalf of the City, the Developer will design, competitively bid, construct and fund the Phase I Internal Sewer Line through the City's Executive Order process in one or more phases as part of the final plat process. The City agrees to subtract the cost of the Phase I Internal Sewer Line from Developer's obligation to make the Wastewater Distribution Impact Fee Facility Contribution set forth in Paragraph 4.C. above, and to accordingly reduce Developer's obligation to guarantee payment of said contribution required in Paragraph 9 below. The City will use its best efforts to include the Phase I Internal Sewer Line in year one of the City's 2011/2012 Six-Year Capital Improvement Program to be funded by the City, at its expense in 2011/2012. The City agrees use its best efforts to reimburse the Developer, no later than November 2011, for the costs of the Phase I Internal Sewer Line, including the design and construction of the Phase I Internal Sewer Line pursuant to Paragraph 10 below. The City's best efforts are contingent upon City Council approving the necessary future rate increase(s) for wastewater in the

subsequent fiscal years. At the time of the applicable final platting of the Phase 1 Internal Sewer Line, the applicable Parties in Interest agree to dedicate, at no cost to the City, the additional temporary and permanent easements needed to construct and operate the Phase I Internal Sewer Line.

D. Parks and Trails

I. Trail. At the time of final platting of the Annexed Property, the applicable Parties in Interest shall dedicate or grant to City, at no cost to the City, the necessary easements for a hiker/biker trail as generally shown on Attachment "J", which is attached hereto and incorporated herein by this reference (collectively "Trail"). The width of the easement for the Trail will vary depending upon the location of the Trail abutting arterial right-of-way, local street right-of-way or crossing an outlot area. The additional maximum width abutting the arterial right of way of Holdrege Street, North 98th Street or "O" Street shall be ten (10) feet wide. The additional maximum width abutting a local street right-of-way shall be six (6) feet wide. The maximum width crossing an outlot area shall be twenty (20) feet wide. The location of the Trail crossing an outlot will generally follow the route of the underground sanitary sewer. The City acknowledges that it is not practical from an engineering perspective to have the Trail go underneath North 98th Street or "O" Street. As part of the Holdrege Street improvement, the City will study the feasibility to have the Trail cross underneath Holdrege Street. The City, at its expense, shall design, grade and construct the Trail, including any culverts, stream crossings, street crossings, signage and signalization; provided, however, Developer, at its expense, agrees to grade that portion of the trail located within platted outlots. In addition, Developer agrees to grade that portion of the trail located along arterial or local streets; provided, the City shall responsible for the cost of that portion of the grading that is over and above what would be needed for the construction of a sidewalk along the arterial or local streets ("Trail Overage"), and shall give Developer an appropriate grading credit/reimbursement against the Impact Fee Contribution amounts set forth in Paragraph 4.D. above for said Trail Overage. The City further agrees to consult with the Developer prior to commencing any design, grading or construction of the Trail to make sure Developer has no development problems with the design and

timing of said grading or construction. The applicable Parties in Interest agree to grant the City, at no cost to City, any temporary construction easements needed in order for the City to grade, install culverts and stream crossings and construct the Trail. Developer understands that the construction of the Trail is not anticipated to occur prior to the City's fiscal year 2010-2011. The City, at its expense, will have maintenance, repair and replacement responsibilities for the Trail. The City agrees that during grading and construction and upon completion of the construction of the Trail, the City shall indemnify, defend, and hold harmless the Property Owner and its successors and assigns, from and against any and all losses, damages, claims, costs, expenses, or liabilities, including attorney fees, arising out of the City's negligence or willful misconduct regarding the public's use of the Trail easement granted to the City herein other than as a result of the Property Owner's or its successors' or assigns' negligence or willful misconduct. Until the Trail is constructed, the Parties in Interest are entitled to farm the easement areas, but agree to hold the City harmless for any damages to crops and/or the Property within said easement areas when the City constructs the Trail improvements.

II. Trail Grading. As an alternative to the City grading the Trail, the City shall have the option to require the Developer to grade the Trail platforms at the time Developer is grading abutting sites to the Trail and the City will give an appropriate grading credit/reimbursement against the Impact Fee Contribution amounts set forth in Paragraph 4.D. above. In order to exercise this option, the City must deliver at least thirty (30) days prior written notice to the Developer, along with proper construction documents and specifications for the requested grading. Developer understands that the construction of the Trail is not anticipated to occur prior to the City's fiscal year 2010-2011. The City, at its expense, will have maintenance, repair and replacement responsibilities for the Trail.

III. Trail Hard Surfacing. The Preliminary Plat shows a ten (10) feet wide hiker/biker trail abutting certain arterial and local streets in the street right-of-way and said trail replaces the normal four (4) feet wide sidewalk along the local streets and five (5) feet wide sidewalk along the arterial streets. In these cases, the City shall have the option at the time of final platting to (i) pay the Developer the equivalent

hard costs for the additional five (5) or six (6) feet of concrete depending on whether it is an arterial or local street and the Developer will then be required to construct the ten (10) feet wide Trail by adding an additional five (5) or six (6) feet to the Developer' required sidewalk or (ii) City can request the Developer to pay the City the cost of four (4) or five (5) feet of concrete depending on whether it is an arterial or local street and the City will build the ten (10) feet wide Trail within four (4) years.

IV. City Park. The Developer and Lincoln Public School ("LPS") have reached a tentative agreement to permit LPS to own and develop the Future School Site as shown on Attachment "A" as a joint public school and city neighborhood park site. In the event said Developer and LPS tentative agreement is not reduced to writing and signed by the Developer and LPS, then the Developer is willing to entertain an offer by the City to acquire a portion of the Future School Site as a city neighborhood park. City agrees that it will fund the initial and replacement base line playground equipment, standard grass/landscaping and related improvements for said park area. Developer, at Developer's own cost and expense, may supersize or enhance the initial and replacement improvements based upon a design and specifications acceptable to the Director of the Parks and Recreation Department.

6. Development of Future Annexed Property.

A. Potential Phasing of the Future Annexed Property. Developer believes that the Future Annexed Property will be annexed, rezoned, platted, and developed in accordance with Developer's Master Plan and generally as shown on the Infrastructure Exhibits (Attachment "E"). The City and Developer agree that the proposed phases shown on Attachment "E" are not binding and the phases may be developed out of the sequence shown on Attachment "E". The City and Developer further agree that the subsequent phases designated on Attachment "E" may develop in smaller geographic areas or in subphases.

B. Future Infrastructure Improvements. The City and Developer agree that the infrastructure improvements identified in the Infrastructure Exhibits (Attachment "E") show the Impact Fee Facility wastewater and water improvements necessary to serve all phases of the Future Annexed Property in accordance with the Developer's Master Plan and to promote

the general health and welfare of the City. In the event the Developer does not follow the Master Plan or makes material modification(s) to the Master Plan as it relates to rezoning and platting that would negatively impact the Impact Fee Facility wastewater and water improvements as shown on Attachment "E", then the Developer and City agree that there will need to be appropriate amendment(s) to this Annexation Agreement to reflect such changes in the Master Plan as it relates to rezoning and platting, prior to the City's approval of the annexation of the Future Annexed Property.

C. Street Improvements. There are no additional Arterial Street Impact Fee Facilities necessary to annex the Future Annexed Property. Any additional site related permanent turn lanes or turn lane improvements will be identified as part of the use permit process for the B-2 zoned tracts and any future commercially zoned tract(s). Notwithstanding the above, Developer agrees that if any final plat development of the Future Annexed Property commences greater than one year prior to the City Public Works Director's best judgment of the State's anticipated date for constructing Four-Lane "O" Street, identified in Paragraph 6.F. below, then the applicable Party in Interest shall, at its own cost and expense, design and construct the temporary right and left turn lanes at each final platted street connection to "O" Street as required by the City.

D. Water Improvements

I. Balance of Water Line in Holdrege Street. As part of the City's utility planning, the City desires to design and construct a 16" water main (approximately 2,640 lineal feet) in Holdrege Street generally east of North 98th Street as shown on the Infrastructure Exhibits (Attachment "E") (collectively "Balance of Holdrege Street Water Line"). The City, at its expense, will design, competitively bid, construct and fund the Balance of Holdrege Street Water Line. The Balance of Holdrege Street Water Line is shown year four of the City's 2005/2006 Six-Year Capital Improvement Program to be funded by the City, at its expense. The City agrees to use its best efforts to design, grade and construct the Balance of Holdrege Street Water Line by August, 2009. The City's best efforts are contingent upon City Council approving the necessary future rate increase(s) for water in the subsequent fiscal years.

II. Water Line in “O” Street. As part of the City’s utility planning, the City desires to design and construct a 24” water main (approximately 5,280 lineal feet) in “O” Street generally west of North 98th Street as shown on the Infrastructure Exhibits (Attachment “E”) (collectively ““O” Street Water Line”). The City, at its expense, will design, competitively bid, construct and fund the “O” Street Water Line. The City agrees to use its best efforts to include the “O” Street Water Line in year one of the City’s 20011/2012 Six-Year Capital Improvement Program to be funded by the City, at its expense. The City agrees to use its best efforts to design, grade and construct the “O” Street Water Line by August, 2011. The City’s best efforts are contingent upon City Council approving the necessary future rate increase(s) for water in the subsequent fiscal years.

E. Sanitary Sewer Improvements.

I. Phase II Internal Sewer Line. In order to provide gravity sewer service to the Future Annexed Property, an internal 27-inch sanitary sewer line (3,310 feet), an internal 24-inch sanitary sewer line (2,821 feet) and an internal 21-inch sanitary sewer line (566 feet) need to be constructed and connected to the Internal Sewer Line as generally shown on the Infrastructure Exhibits (Attachment “E”) (collectively “Phase II Internal Sewer Line”). The City will use its best efforts to include the Phase II Internal Sewer Line in year two of the City’s 2011/2012 Six-Year Capital Improvement Program to be constructed and funded by the City, at its expense in 2012/2013. Notwithstanding the foregoing, Developer shall have the option to design, competitively bid, construct and fund the Phase II Internal Sewer Line through the City’s Executive Order process in one or more phases as part of the final plat process if Developer desires to be connected to the Phase II Internal Sewer Line prior to the City’s construction of such sewer line. In the event the Phase II Internal Sewer Line is constructed by Developer, the City agrees to subtract the cost of the Phase II Internal Sewer Line from Developer’s obligation to make the Wastewater Impact Fee Facility Contribution set forth in Paragraph 4.C. above, and to accordingly reduce Developer’s obligation to guarantee payment of said contribution. The City agrees to use its best efforts to reimburse the Developer, no later than November 2012, for the costs of the Phase II Internal Sewer Line, including the

design and construction of the Phase II Internal Sewer Line pursuant to Paragraph 10 below. The City's best efforts are contingent upon City Council approving the necessary future rate increase(s) for wastewater in the subsequent fiscal years. At the time of the applicable final platting of the Phase II Internal Sewer Line, the applicable Parties in Interest agree to dedicate, at no cost to the City, the additional temporary and permanent easements needed to construct and operate the Phase II Internal Sewer Line.

F. Street Improvements.

I. **"O" Street.** "O" Street from 42nd Street to 98th Street is shown in the Lincoln City – Lancaster County Comprehensive Plan as an arterial road improvement during the 25-year planning period to be constructed as six lanes plus center turn lanes. "O" Street from 98th Street to the east edge of Lancaster County is shown in the Lincoln City – Lancaster County Comprehensive Plan as an arterial road improvement during the 25-year planning period to be constructed as four lanes plus center turn lanes. Presently, "O" Street along the south edge of the Property is a two-lane rural cross section. Based upon preliminary agreements between the State of Nebraska and the City, the State of Nebraska intends to design, grade and construct within the next six years (more or less) four lanes between approximately 85th Street and the east edge of the Property, plus turn lanes at four full turn movements access points (¼ mile, 1 mile, ¼ mile and ½ mile respectively) abutting the Property along the north side of "O" Street, as generally shown on Attachment "A" (collectively "Four-Lane "O" Street"). The State/City, at their expense, shall be responsible for any required traffic signals at the 1 mile and ½ mile intersection of "O" Street when warranted. The City shall also be responsible for any costs associated with obtaining a break in controlled access along "O" Street from the State of Nebraska for the location of the 98th Street intersection. The State of Nebraska, at its expense (with a local sponsor match from the City, at the City's expense), will design, grade and construct the Four-Lane "O" Street. The design and construction of the temporary right and left turn lanes in the "O" Street right-of-way at the intersection of "O" Street and 98th Street shall be part of the design and construction of Two-Lane North 98th Street.

G. Trails and Parks.

Except for the completion of the Trail described in paragraph 5 D above, there are no additional permanent Impact Fee Facilities for trails or parks necessary to annex the Future Annexed Property.

7. Minimum Flood Plain Corridor. Impact Fee Facilities which cross or otherwise encroach into Minimum Flood Corridors are required to meet the standards for sequencing identified in the City's Drainage Criteria Manual. This includes impacts to Minimum Flood Corridors for arterial street, water, sewer, and trail impact fee facilities on or adjacent to the Property. Developer has submitted and the City has approved the Master Drainage Study dated December 17, 2004 and Minimum Flood Corridor Exhibits for the Property dated June, 2005, in conjunction with the Waterford Estates Preliminary Plat (collectively "Master Plan").

The sequencing process and details regarding the construction and location of the facilities as they relate to impacts on Minimum Flood Corridors shall be reviewed and approved by the Public Works and Utilities Department if the facility is constructed through the City's executive order process prior to approval of construction plans. Because this process provides greater detail than the preliminary plat, the City's review and approval process may result in alterations of some locations for water, sewer, and trail impact fee facilities shown on the preliminary plat with regard to impacts on the Minimum Flood Corridor. Minor alterations of some arterial roadway locations may also be required, but shall be generally as shown on the Master Plan. The sequencing process of avoidance, minimization and mitigation shall be part of the project cost. The Developer, at its expense, shall have the responsibilities to sequence the other improvements required by the final plat process.

8. Future Cost Responsibilities.

A. Annexed Property. Developer understands and acknowledges that it is the City's position that the Impact Fee Facility Contributions by Developer under Paragraph 4 of this Agreement do not address all the impacts the proposed development of the Annexed Property will have on the City's Impact Fee Facilities as set forth in the Impact Fee Study prepared by Duncan & Associates dated October 2002. Therefore, Developer understands that the proposed development of the Annexed Property shall be subject to the payment of Impact Fees.

B. Future Annexed Property. Developer understands that the development of the Future Annexed Property shall be subject to payment of Impact Fees and/or Impact Fee Facility Contributions, depending on the status of the Impact Fee litigation referred to in Recital J above. However, Developer further agrees that in the event the Impact Fee ordinance is for any reason declared to be void, illegal, or otherwise unenforceable, then the Developer agrees in lieu of Impact Fees to pay to the City in full prior to the issuance of a building permit for development, or prior to the issuance of any other permit for development where a building permit is not required, or prior to engaging in a development for which no permit is required, an amount equal to the amount of the Impact Fees which would have been imposed under the 2005 Impact Fee Schedules. Notwithstanding the above, Developer agrees that in the event the City creates or establishes a new system which enables the City to impose a proportionate share of the cost of required improvements to the City's water and wastewater systems, arterial streets, and neighborhood parks and trails on those developments which create the need for them, then that portion of the Future Annexed Property that has not been included in the Impact Fee Facility Contributions set forth in Paragraph 4 above will be subject to said new system.

9. Guaranteed Payment of Impact Fee Facility Contributions. Developer shall, prior to the approval of each final plat or a use permit of the Annexed Property or Future Annexed Property, provide the City a bond, escrow, letter of credit, or other security agreement, approved by the City Attorney, in an amount equal to the proportionate share of the Water Distribution, Water System, Wastewater, Neighborhood Park and Trail, and Arterial Street Impact Fee Facility Contributions attributable to full development of the lots within each final plat compared to the approved full development of the Annexed Property and Future Annexed Property under this Agreement.

The above required payments of the Water Distribution, Water System, Wastewater, Neighborhood Park and Trail, and Arterial Street Impact Fee Facility Contributions shall be paid to the City within thirty days written notice from the City that the following two events have occurred:

- (1) The City is awarded a bid and entered into a contract for the improvement of an eligible Water Distribution, Water System, Wastewater, Neighborhood Park and Trail, and/or Arterial Street Impact Fee Facility Improvement, and
- (2) A final judgment of a court of competent jurisdiction has declared the Impact Fee Ordinance invalid and unenforceable.

The applicable contributions shall first be applied toward payment of the cost to construct eligible Water Distribution, Water System, Wastewater, Neighborhood Park and Trail, and/or Arterial Street Impact Fee Facility Improvements described in this Agreement. Thereafter, any excess contribution amounts may be applied toward payment of the cost to construct any other eligible Impact Fee Facility Improvement in the same benefit district the annexed property was located in under the impact fee ordinance.

In the event that final judgment of a court of competent jurisdiction has declared the Impact Fee Ordinance valid and enforceable, the City agrees to release the bond, escrow, letter of credit, or other security agreement provided by Developer to guarantee the above-described contributions and Developer shall be released from making the above-described contributions.

10. Reimbursement for Impact Fee Facility Improvements. In the event Developer funds the Impact Fee Facility Improvements described herein, then the City agrees to reimburse Developer for said costs with Interest (as set forth below), as soon as reasonably possible, from the following sources of funds; provided, however, if the Impact Fee Ordinance is finally determined to be invalid or unenforceable, then the City shall only be obligated to reimburse Developer for Developer's cost of Impact Fee Facility Improvements in excess of Developer's applicable Impact Fee Facility Contribution set forth in Paragraph 4 above.

A. Directed Impact Fees. The City agrees to reimburse the Developer for Impact Fee Facility Improvements with the applicable Impact Fees collected from the entire development of the Annexed Property and Future Annexed Property under the applicable Impact Fee Facility Improvements category (e.g., Water Distribution, Wastewater, Neighborhood Park and Trail, Arterial Street), subject to the following conditions:

1. Said reimbursement shall be paid semi-annually from impact fees actually received;
2. No reimbursement shall be paid prior to and unless the Impact Fee Ordinance is finally determined to be valid and enforceable;
3. The maturity of the reimbursement shall be until the outstanding principle amount, plus Interest, is collected against the entire development of the Annexed Property and Future Annexed Property or is reimbursed pursuant to this Paragraph 10; and
4. Any reimbursement to be paid from impact fees shall not constitute a general obligation or debt of the City.

B. Capital Improvement Budget and Program. The City agrees to use its best efforts to include the stated Impact Fee Facility Improvements, along with the potential funding source(s), in the stated City's Six-Year Capital Improvement Budget and Program described in this Agreement.

C. Developer's Cost in Excess of Directed Impact Fees. In the event Developer's costs for Impact Fee Facility Improvements are in excess of the Impact Fees collected from the entire development of the Annexed Property and Future Annexed Property under the applicable Impact Fee Facility Improvements category, then City agrees to use its best efforts to reimburse Developer with Interest for the excess cost from the Impact Fees collected from other development with the same benefit district or from other funding sources identified in the Bond Ordinance within eleven (11) years from the date the applicable Impact Fee Facility Improvement has been substantially completed as determined by the City. Any agreement to reimburse the Developer for Impact Fee Facility Improvements with the applicable Impact Fees collected from other developments within the same benefit district shall be subject to the same four conditions listed in Paragraph 10A. above. Notwithstanding the above, the City's best efforts to reimburse Developer with the impact fees collected from other development within the same benefit district does not restrict the City from agreeing to reimburse future developers within the same benefit district from directed impact fees is those developers fund Impact Fee Facility Improvements.

D. Interest. Interest shall be paid upon the outstanding balance owed to the Developer to reimburse the Developer for the Developer's cost of the Impact Fee Facility

Improvements in excess of the applicable Impact Fee Facility Contribution amounts set forth in Paragraph 4 above. Said outstanding balance shall draw interest at the rate of two percent (2%) per annum ("Interest"); provided, however, Interest on the applicable Impact Fee Facility Improvement shall not begin to accrue until the Developer advances any excess funds to the City.

E. Full Payment. Notwithstanding any contrary provision herein, the City will use its best efforts to reimburse Developer for principal and interest owed from available City funds within eleven (11) years from the date the Impact Fee Facility Improvement is substantially constructed.

F. City's Obligations Under This Agreement. The City represents and warrants that its obligations under this Agreement for the reimbursement of Impact Fee Facility Improvements are subject to the terms, conditions and covenants of the Bond Ordinance, and are lawful binding obligations incurred:

1. Pursuant to (a) Section 18-1803 to 18-1805, inclusive, Reissue Revised Statutes of Nebraska, as amended, and (b) Article IX, Sections 8 and 44 of the City's Home Rule Charter with respect to the Water Distribution and shall, to the extent of the City's obligation hereunder, constitute Subordinate Indebtedness (as defined in Ordinance No. 18088 of the City).

2. Pursuant to (a) Section 18-1803 to 18-1805, inclusive, Reissue Revised Statutes of Nebraska, as amended, and (b) Article IX, Section 44 of the City's Home Rule Charter with respect to the Wastewater System and shall, to the extent of the City's obligation hereunder, constitute Subordinate Indebtedness (as defined in Ordinance No. 18171 of the City).

3. Pursuant to Section 66-4,101, Reissue Revised Statutes of Nebraska, as amended, with respect to Arterial Streets and shall, to the extent of the City's obligation hereunder, constitute an obligation junior and inferior to the City's outstanding General Obligation Highway Allocation Bonds, Series 2004 and any other highway allocation bonds of the City hereafter issued pursuant to Section 66-4,101, Reissue Revised Statutes of Nebraska, as amended.

11. Amendments. This Agreement may only be amended or modified in writing signed by the parties to this Agreement.

12. Further Assurances. Each party will use its best and reasonable efforts to successfully carry out and complete each task, covenant, and obligation as stated herein. Each of the parties shall cooperate in good faith with the other and shall do any and all acts and execute, acknowledge, and deliver any and all documents so requested in order to satisfy the conditions set forth herein and carry out the intent and purposes of this Agreement.

13. Governing Law. All aspects of this Agreement shall be governed by the laws of the State of Nebraska. The invalidity of any portion of this Agreement shall not invalidate the remaining provisions.

14. Interpretations. Any uncertainty or ambiguity existing herein shall not be interpreted against either party because such party prepared any portion of this Agreement, but shall be interpreted according to the application of rules of interpretation of contracts generally.

15. Construction. Whenever used herein, including acknowledgments, the singular shall be construed to include the plural, the plural the singular, and the use of any gender shall be construed to include and be applicable to all genders as the context shall warrant.

16. Relationship of Parties. Neither the method of computation of funding or any other provisions contained in this Agreement or any acts of any party shall be deemed or construed by the City, Parties in Interest, or by any third person to create the relationship of partnership or of joint venture or of any association between the parties other than the contractual relationship stated in this Agreement.

17. Assignment. In the case of the assignment of this Agreement by any of the parties, prompt written notice shall be given to the other parties who shall at the time of such notice be furnished with a duplicate of such assignment by such assignor. Any such assignment shall not

terminate the liability of the assignor to perform its obligations hereunder, unless a specific release in writing is given and signed by the other parties to this Agreement or unless otherwise stated herein.

18. Default. Parties in Interest and City agree that the annexation, changes of zone and Preliminary Plat promote the public health, safety and welfare so long as Parties in Interest fulfill all of the conditions and responsibilities set forth in this Agreement. In the event Parties in Interest default in fulfilling any of their covenants and responsibilities as set forth in this Agreement, then the City may in its legislative authority rescind said Preliminary Plat and rezone the Annexed Property to its previous designation or such other designations as the City may deem appropriate under the then existing circumstances, or take such other remedies, legal or equitable, which the City may have to enforce this Agreement or to obtain damages for its breach. In the event the City defaults in fulfilling any of its covenants and responsibilities as set forth in this Agreement, then the Parties in Interest may take such remedies, legal or equitable, to enforce this Agreement or to obtain damages for its breach.

19. Definitions. For purposes of this Agreement, the words and phrases "cost" or "entire cost" of a type of improvement shall be deemed to include all design and engineering fees, testing expenses, acquisition of right-of-way from a third party (but excluding any Parties In Interest) construction costs, publication costs, financing costs, and related miscellaneous costs. For the purposes of this Agreement, the words and phrases "building permit," "development," "Impact Fee Facility," "Impact Fee Facility Improvement," and "site-related improvements" shall have the same meaning as provided for said words and phrases in the Impact Fee Ordinance.

20. Fair Share. Landowners acknowledge that the City has a legitimate interest in the public health, safety and welfare and in providing for the safe and efficient movement of vehicles on the public arterial streets and the provision of adequate water and wastewater service and adequate neighborhood parks and trails as provided for in the Impact Fee Ordinance which is promoted by requiring Developer to pay their fair share of the cost to construct such Impact Fee Facilities and that an essential nexus exists between the City's legitimate interests and the conditions placed upon Developer under this Agreement. In addition, Landowners and City have made an individualized determination and found that the conditions placed upon Developer under this Agreement are related

both in nature and extent and are in rough proportionality to the projected adverse effects that full development of the Annexed Property under the annexation, Preliminary Plat, and change of zone would have on the City's Impact Fee Facilities.

21. Recordation. This Agreement or a memorandum thereof shall be filed in the Office of the Register of Deeds of Lancaster County, Nebraska at Developer's cost and expense.

22. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal representatives, successors and assigns and shall inure to and run with the Property.

23. Engineering Services. The uniform procedure for the selection of professional consultants set forth in Executive Order No. 58026 dated August 6, 2003 need not be utilized to select the Developer's engineer to design the required improvements to be installed by Developer. The Developer's engineer has performed preliminary design work and continuing utilization of the Developer's engineer will avoid delay, inefficiencies, lack of coordination, and duplication of effort. Notwithstanding the above, the Developer agrees that, in order for Developer's engineer design costs to be reimbursable Impact Fee Facility Improvements, the compensation to be paid for such services must be approved the City's Department of Public Works & Utilities.

24. Authority. The City has the authority to engage in the reimbursements to Developer described in this Agreement, and (i) has taken all steps to legally exercise that authority, and (ii) the reimbursements to Developer described in this Agreement will comply with all applicable laws.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

Signatures on the following page

“CITY”

CITY OF LINCOLN, NEBRASKA,
a municipal corporation

ATTEST:

City Clerk

By: _____
Coleen J. Seng, Mayor

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ____ day of _____,
2006, by Coleen J. Seng, Mayor of the **City of Lincoln, Nebraska**, a municipal corporation.

Notary Public

“DEVELOPER”

RIDGE DEVELOPMENT COMPANY, a
Nebraska corporation

By: _____
Thomas E. White
President of Development

By: _____
John C. Brager
President of Construction

SOUTHVIEW, INC., a Nebraska corporation

By: _____
John F. Schleich, President

DEVELOPMENTS UNLIMITED, LLP, a
Nebraska limited liability partnership

By: **RIDGE DEVELOPMENT COMPANY, a**
Nebraska corporation, Member

By: _____
Thomas E. White
President of Development

By: _____
John C. Brager
President of Construction

By: **SOUTHVIEW, INC., a Nebraska**
corporation, Member

By: _____
John F. Schleich, President

NORTHERN LIGHTS, L.L.C., a Nebraska
limited liability company

By: _____
Thomas E. White, Member

By: _____
John C. Brager, Member

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing was acknowledged before me this ____ day of _____, 2006, by
Thomas E. White, President of Development of **Ridge Development Company**, a Nebraska
corporation, on behalf of the corporation.

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing was acknowledged before me this ____ day of _____, 2006, by
John C. Brager, President of Construction of **Ridge Development Company**, a Nebraska
corporation, on behalf of the corporation.

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing was acknowledged before me this ____ day of _____, 2006, by John F. Schleich, President of **Southview, Inc.**, a Nebraska corporation, on behalf of the corporation.

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing was acknowledged before me this ____ day of _____, 2006, by Thomas E. White, President of Development of Ridge Development Company, a Nebraska corporation, as a Member of **Developments Unlimited, LLP**, a Nebraska limited liability partnership, on behalf of the limited liability partnership.

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing was acknowledged before me this ____ day of _____, 2006, by John C. Brager, President of Construction of Ridge Development Company, a Nebraska corporation, as a Member of **Developments Unlimited, LLP**, a Nebraska limited liability partnership, on behalf of the limited liability partnership.

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing was acknowledged before me this ____ day of _____, 2006, by John F. Schleich, President of Southview, Inc., a Nebraska, corporation, as a Member of **Developments Unlimited, LLP**, a Nebraska limited liability partnership, on behalf of the limited liability partnership.

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing was acknowledged before me this ____ day of _____, 2006, by Thomas E. White, Member of **Northern Lights, L.L.C.**, a Nebraska limited liability company, on behalf of the limited liability company.

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing was acknowledged before me this ____ day of _____, 2006, by John C. Brager, Member of **Northern Lights, L.L.C.**, a Nebraska limited liability company, on behalf of the limited liability company.

Notary Public

“LANDOWNER”

THOMAS O. MEGINNIS, a married person

KAREN M. MEGINNIS, a married person

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing was acknowledged before me this ____ day of _____, 2006, by
Thomas O. Meginnis, a married person.

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing was acknowledged before me this ____ day of _____, 2006, by
Karen M. Meginnis, a married person.

Notary Public

RICHARD W. MEGINNIS, a married person

LISA J. MEGINNIS, a married person

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing was acknowledged before me this ____ day of _____, 2006, by
Richard W. Meginnis, a married person.

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing was acknowledged before me this ____ day of _____, 2006, by
Lisa J. Meginnis, a married person.

Notary Public

DANIEL H. MEGINNIS, a married person

JILL M. MEGINNIS, a married person

STATE OF _____)
_____) ss.
COUNTY OF _____)

The foregoing was acknowledged before me this ____ day of _____, 2006, by
Daniel H. Meginnis, a married person.

Notary Public

STATE OF _____)
_____) ss.
COUNTY OF _____)

The foregoing was acknowledged before me this ____ day of _____, 2006, by **Jill
M. Meginnis**, a married person.

Notary Public

MARK W. MEGINNIS, an individual

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing was acknowledged before me this ____ day of _____, 2006, by **Mark W. Meginnis**, an individual.

Notary Public

SESOSTRIS TEMPLE HOLDING CORPORATION, a Nebraska nonprofit corporation

By: _____

Title: _____

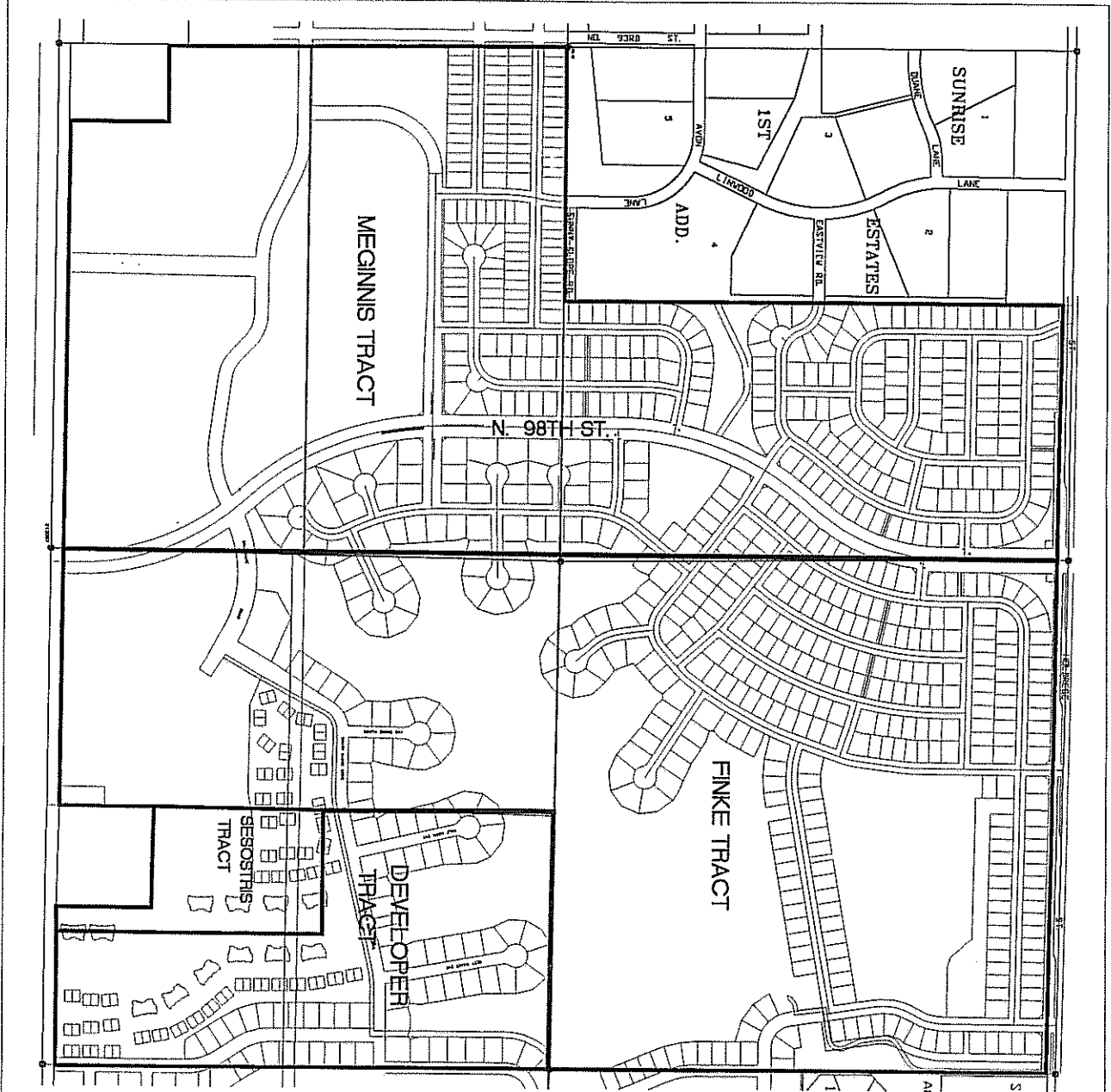
STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ____ day of ____, 2006, by _____, _____ of **Sesostris Temple Holding Corporation**, a Nebraska nonprofit corporation, on behalf of the nonprofit corporation.

Notary Public

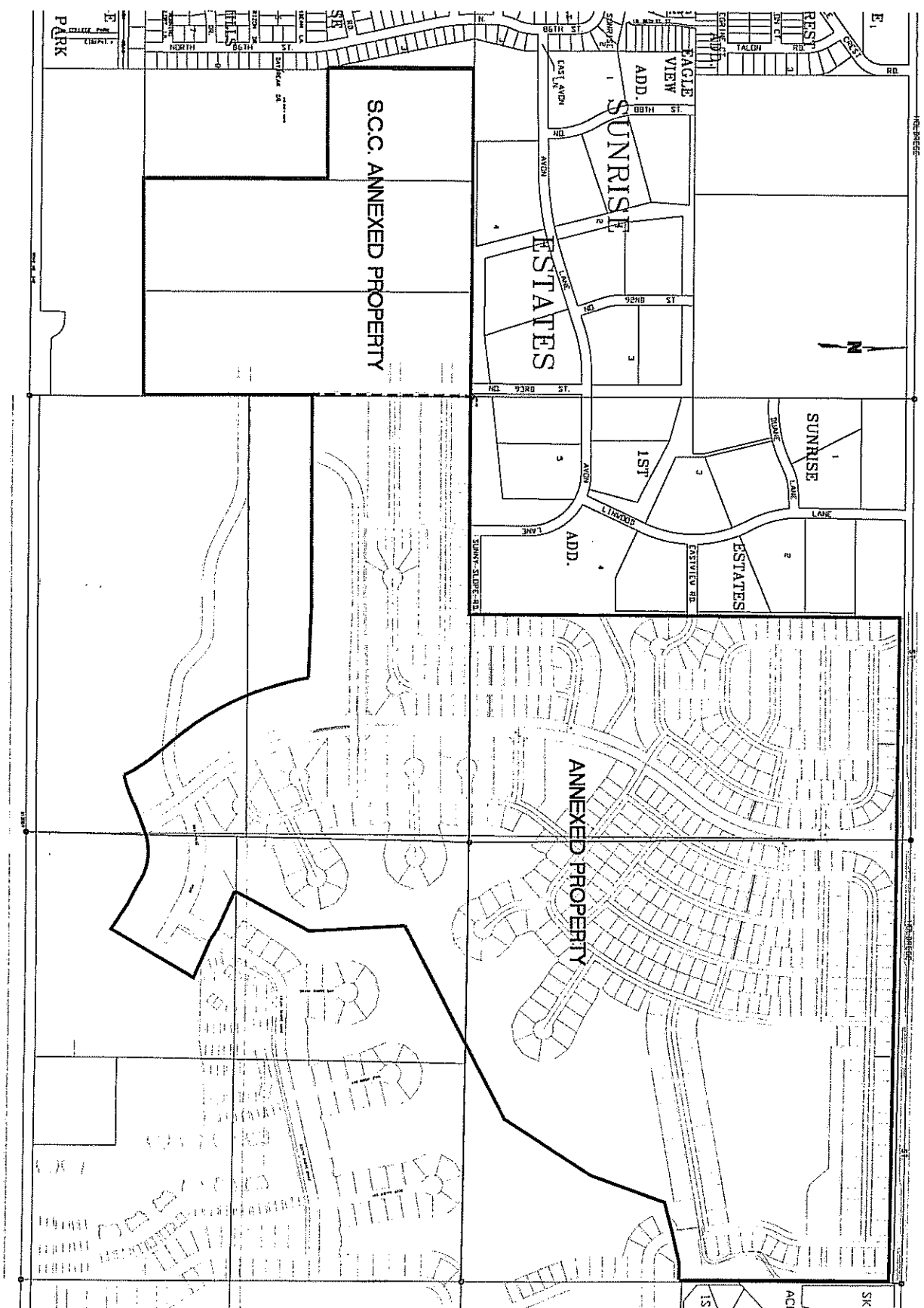


Project No. 99-02085 Date 6/1/05	WATERFORD ESTATES ATTACHMENT "A"		REVISIONS			 OLSSON ASSOCIATES ENGINEERS • PLANNERS • ARCHITECTS • SURVEYORS 1110 S. 10TH ST. • LINCOLN, NEBRASKA 68502 • 402-441-4444 FAX: 402-441-4445 • WWW.OLSSONASSOCIATES.COM
	LINCOLN, NEBRASKA	6/1/05	DATE DESCRIPTION	1 2 3 4 5		



<p>DATE: 6/1/05 DRAWN BY: [Name] CHECKED BY: [Name] DESIGNED BY: [Name] PROJECT NO: 990305</p>	<p>WATERFORD ESTATES ATTACHMENT "B"</p> <p>LINCOLN, NEBRASKA</p>	<p>REVISIONS</p> <table border="1"> <thead> <tr> <th>NO.</th> <th>DATE</th> <th>DESCRIPTION</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>	NO.	DATE	DESCRIPTION																																<p>OLSSON ASSOCIATES ENGINEERS - PLANNERS - SCIENTISTS - SURVEYORS</p> <p>1311 LINCOLN BLVD. - LINCOLN, NEBRASKA 68502 - 402-426-1234 - FAX 402-478-1100</p> <p>LESTER - GORDON - GORDON - GORDON - GORDON - GORDON - GORDON - GORDON</p>
NO.	DATE	DESCRIPTION																																			

NOT BE USED FOR ANY OTHER PURPOSES



**LEGAL DESCRIPTION
ANNEXATION**

A LEGAL DESCRIPTION FOR A TRACT OF LAND COMPOSED OF LOTS 14 I.T., 15 I.T., AND 16 I.T., A PORTION OF LOTS 3 I.T., AND 10 I.T., AND A PORTION OF THE NORTH HALF OF THE SOUTHEAST QUARTER, ALL IN THE EAST HALF OF SECTION 23, TOWNSHIP 10 NORTH, RANGE 7 EAST OF THE 6TH P.M., LANCASTER COUNTY, NEBRASKA, AND A PORTION OF LOT 8 I.T., A PORTION OF LOT 11 I.T., AND A PORTION OF THE NORTH HALF OF THE SOUTHWEST QUARTER, ALL IN THE WEST HALF OF SECTION 24, TOWNSHIP 10 NORTH, RANGE 7 EAST OF THE 6TH P.M., LANCASTER COUNTY, NEBRASKA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 24, THENCE SOUTH ALONG THE EAST LINE OF SAID NORTHWEST QUARTER ON AN ASSUMED BEARING OF SOUTH 00 DEGREES 09 MINUTES 34 SECONDS WEST, A DISTANCE OF 50.01 FEET TO THE NORTHEAST CORNER OF SAID LOT 8 I.T., SAID POINT BEING **THE TRUE POINT OF BEGINNING**, THENCE CONTINUING SOUTH 00 DEGREES 09 MINUTES 34 SECONDS WEST, A DISTANCE OF 1,272.74 FEET TO A POINT, THENCE SOUTH 89 DEGREES 11 MINUTES 23 SECONDS WEST, A DISTANCE OF 113.22 FEET TO A POINT, THENCE SOUTH 76 DEGREES 00 MINUTES 17 SECONDS WEST, A DISTANCE OF 363.45 FEET TO A POINT, THENCE SOUTH 20 DEGREES 06 MINUTES 43 SECONDS WEST, A DISTANCE OF 471.68 FEET TO A POINT, THENCE SOUTH 32 DEGREES 55 MINUTES 55 SECONDS WEST, A DISTANCE OF 620.76 FEET TO A POINT, THENCE SOUTH 62 DEGREES 22 MINUTES 00 SECONDS WEST, A DISTANCE OF 1,295.82 FEET TO A POINT, THENCE SOUTH 03 DEGREES 19 MINUTES 34 SECONDS EAST, A DISTANCE OF 574.78 FEET TO A POINT, THENCE SOUTH 28 DEGREES 14 MINUTES 31 SECONDS WEST, A DISTANCE OF 503.12 FEET TO A POINT, THENCE SOUTH 65 DEGREES 18 MINUTES 51 SECONDS EAST, A DISTANCE OF 242.70 FEET TO A POINT, THENCE SOUTH 59 DEGREES 30 MINUTES 50 SECONDS EAST, A DISTANCE OF 90.00 FEET TO A POINT, THENCE SOUTH 56 DEGREES 20 MINUTES 05 SECONDS EAST, A DISTANCE OF 250.91 FEET TO A POINT, THENCE SOUTH 33 DEGREES 39 MINUTES 55 SECONDS WEST, A DISTANCE OF 536.53 FEET TO A POINT, THENCE NORTH 56 DEGREES 20 MINUTES 05 SECONDS WEST, A DISTANCE OF 158.38 FEET TO A POINT, THENCE NORTH 62 DEGREES 28 MINUTES 07 SECONDS WEST, A DISTANCE OF 132.72 FEET TO A POINT OF CURVATURE OF A NON TANGENT CURVE, THENCE ALONG A CURVE IN A COUNTER CLOCKWISE DIRECTION, HAVING A RADIUS OF 345.00 FEET, ARC LENGTH OF 326.55 FEET, DELTA ANGLE OF 54 DEGREES 13 MINUTES 54 SECONDS, A CHORD BEARING OF NORTH 81 DEGREES 35 MINUTES 40 SECONDS WEST, AND A CHORD LENGTH OF 314.49 FEET

TO A POINT, THENCE SOUTH 71 DEGREES 06 MINUTES 05 SECONDS WEST, A DISTANCE OF 120.61 FEET TO A POINT, THENCE SOUTH 62 DEGREES 43 MINUTES 30 SECONDS WEST, A DISTANCE OF 33.26 FEET TO A POINT OF CURVATURE, THENCE ALONG A CURVE IN A CLOCKWISE DIRECTION, HAVING A RADIUS OF 776.00 FEET, ARC LENGTH OF 208.47 FEET, DELTA ANGLE OF 15 DEGREES 23 MINUTES 33 SECONDS, A CHORD BEARING OF SOUTH 70 DEGREES 25 MINUTES 17 SECONDS WEST, AND A CHORD LENGTH OF 207.84 FEET TO A POINT OF CURVATURE OF A NON TANGENT CURVE, THENCE ALONG A CURVE IN A COUNTER CLOCKWISE DIRECTION, HAVING A RADIUS OF 1,000.00 FEET, ARC LENGTH OF 276.40 FEET, DELTA ANGLE OF 15 DEGREES 50 MINUTES 12 SECONDS, A CHORD BEARING OF NORTH 33 DEGREES 54 MINUTES 30 SECONDS WEST, AND A CHORD LENGTH OF 275.52 FEET TO A POINT OF REVERSE CURVATURE, THENCE ALONG A CURVE IN A CLOCKWISE DIRECTION, HAVING A RADIUS OF 1,800.00 FEET, ARC LENGTH OF 988.39 FEET, DELTA ANGLE OF 31 DEGREES 27 MINUTES 41 SECONDS, A CHORD BEARING OF NORTH 26 DEGREES 05 MINUTES 46 SECONDS WEST, AND A CHORD LENGTH OF 976.02 FEET TO A POINT, THENCE NORTH 89 DEGREES 37 MINUTES 05 SECONDS WEST, A DISTANCE OF 71.10 FEET TO A POINT, THENCE NORTH 87 DEGREES 19 MINUTES 39 SECONDS WEST, A DISTANCE OF 350.28 FEET TO A POINT, THENCE NORTH 89 DEGREES 37 MINUTES 05 SECONDS WEST, A DISTANCE OF 1,270.65 FEET TO A POINT OF INTERSECTION WITH THE WEST LINE OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 23, SAID POINT BEING ON THE EAST LINE OF LOT 16 I.T., THENCE SOUTH 00 DEGREES 01 MINUTES 22 SECONDS WEST ALONG THE EAST LINE OF SAID LOT 16 I.T., A DISTANCE OF 1,026.36 FEET TO THE SOUTHEAST CORNER OF SAID LOT 16 I.T., THENCE NORTH 89 DEGREES 25 MINUTES 19 SECONDS WEST ALONG THE SOUTH LINE OF SAID LOT 16 I.T., AND THE SOUTH LINE OF LOT 15 I.T., A DISTANCE OF 1,284.24 FEET TO THE SOUTHWEST CORNER OF SAID LOT 15 I.T., THENCE NORTH 00 DEGREES 06 MINUTES 21 SECONDS EAST ALONG THE WEST LINE OF SAID LOT 15 I.T., A DISTANCE OF 1,368.08 FEET TO A POINT, THENCE NORTH 89 DEGREES 25 MINUTES 19 SECONDS WEST ALONG A LINE LOCATED 1,368.03 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF LOT 10 I.T., A DISTANCE OF 660.02 FEET TO A POINT OF INTERSECTION WITH THE WEST LINE OF SAID LOT 10 I.T., THENCE NORTH 00 DEGREES 06 MINUTES 21 SECONDS EAST ALONG THE WEST LINE OF SAID LOT 10 I.T., A DISTANCE OF 611.92 FEET TO THE NORTHWEST CORNER OF SAID LOT 10 I.T., SAID POINT BEING ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 23, THENCE SOUTH 89 DEGREES 25 MINUTES 16 SECONDS EAST ALONG THE NORTH LINE OF SAID LOTS 10 I.T., 15 I.T., AND 16 I.T., SAID LINE BEING THE NORTH LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 1,941.38 FEET TO THE NORTHEAST CORNER OF SAID LOT 16 I.T., SAID POINT BEING THE NORTHWEST CORNER OF THE SOUTHEAST

QUARTER OF SAID SECTION 23, THENCE SOUTH 89 DEGREES 24 MINUTES 38 SECONDS EAST ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER, A DISTANCE OF 1,307.81 FEET TO THE SOUTHWEST CORNER OF LOT 14 I.T., THENCE NORTH 00 DEGREES 13 MINUTES 16 SECONDS EAST ALONG THE WEST LINE OF SAID LOT 14 I.T., A DISTANCE OF 2,609.41 FEET TO THE NORTHWEST CORNER OF SAID LOT 14 I.T., SAID POINT BEING ON THE SOUTH LINE OF HOLDREGE STREET RIGHT-OF-WAY, SAID POINT BEING 50.00 FEET SOUTH OF THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 23, THENCE SOUTH 89 DEGREES 15 MINUTES 58 SECONDS EAST ALONG THE NORTH LINE OF SAID LOT 14 I.T., SAID LINE BEING THE SOUTH LINE OF SAID RIGHT-OF-WAY, SAID LINE BEING 50.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 23, A DISTANCE OF 1,315.40 FEET TO THE NORTHEAST CORNER OF SAID LOT 14 I.T., SAID POINT BEING THE NORTHWEST CORNER OF LOT 8 I.T., THENCE SOUTH 88 DEGREES 45 MINUTES 33 SECONDS EAST ALONG THE NORTH LINE OF SAID LOT 8 I.T., SAID LINE BEING THE SOUTH LINE OF SAID RIGHT-OF-WAY, SAID LINE BEING 50.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 24, A DISTANCE OF 2,654.23 FEET TO THE POINT OF BEGINNING, SAID TRACT CONTAINS A CALCULATED AREA OF 16,805,340.46 SQUARE FEET OR 385.7975 ACRES, MORE OR LESS.

August 1, 2005

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ESTIMATED OFF-SITE COSTS:

	2011/2012	2011/2015
PUMP STATION (DEVELOPERS EXPENSES)	\$ 260,000	\$ 260,000
FORCE MAIN FROM SITE TO ADAMS ST.	\$ 200,000	\$ 200,000
4,500 LF OF 15" INTERVAL, TRUNK SEWER	\$ 580,000	
1,175 LF OF 36" INTERVAL, TRUNK SEWER	\$ 341,925	
TOTAL COST:	\$ 1,711,925	
REIMBURSABLE COSTS BY THE CITY OF LINCOLN:	\$ 210,000	

ANTICIPATED FISCAL YEAR	COST
2011/2012	\$ 360,000
2011/2012	\$ 200,000
2011/2012	\$ 368,000
2011/2012	\$ 341,925
2011/2012	\$ 1,210,925
2011/2012	\$ 710,925

	2008/2009	2009/2010
3,350 LF OF 16" WATER MAIN IN HOLDREGE ST.	\$ 369,693	
5,650 LF OF 16" WATER MAIN IN 9TH ST.	\$ 553,700	
TOTAL:	\$ 923,393	
REIMBURSABLE COSTS BY THE CITY OF LINCOLN:	\$ 923,393	

	2008/2009	2009/2010
COST		
\$ 369,600		
\$ 553,700		
<u>\$ 923,300</u>		
<u>\$ 923,300</u>		

96TH ST. - 2210 LF OF 3 LANE SECTION	\$ 1,007,760	2010/2011
(3) LANE SECTION @ \$448 / LF)		
96TH ST. TRAMP. INTERSECTION IMPROVEMENTS	\$ 50,000	2010/2011

\$ 1,007,700	2010/2011
\$ 50,000	2010/2011

TOTAL COST:	\$3,181,981
TOTAL REIMBURSEABLE COSTS:	\$2,691,981
TOTAL NON-REIMBURSEABLE COSTS:	\$500,000

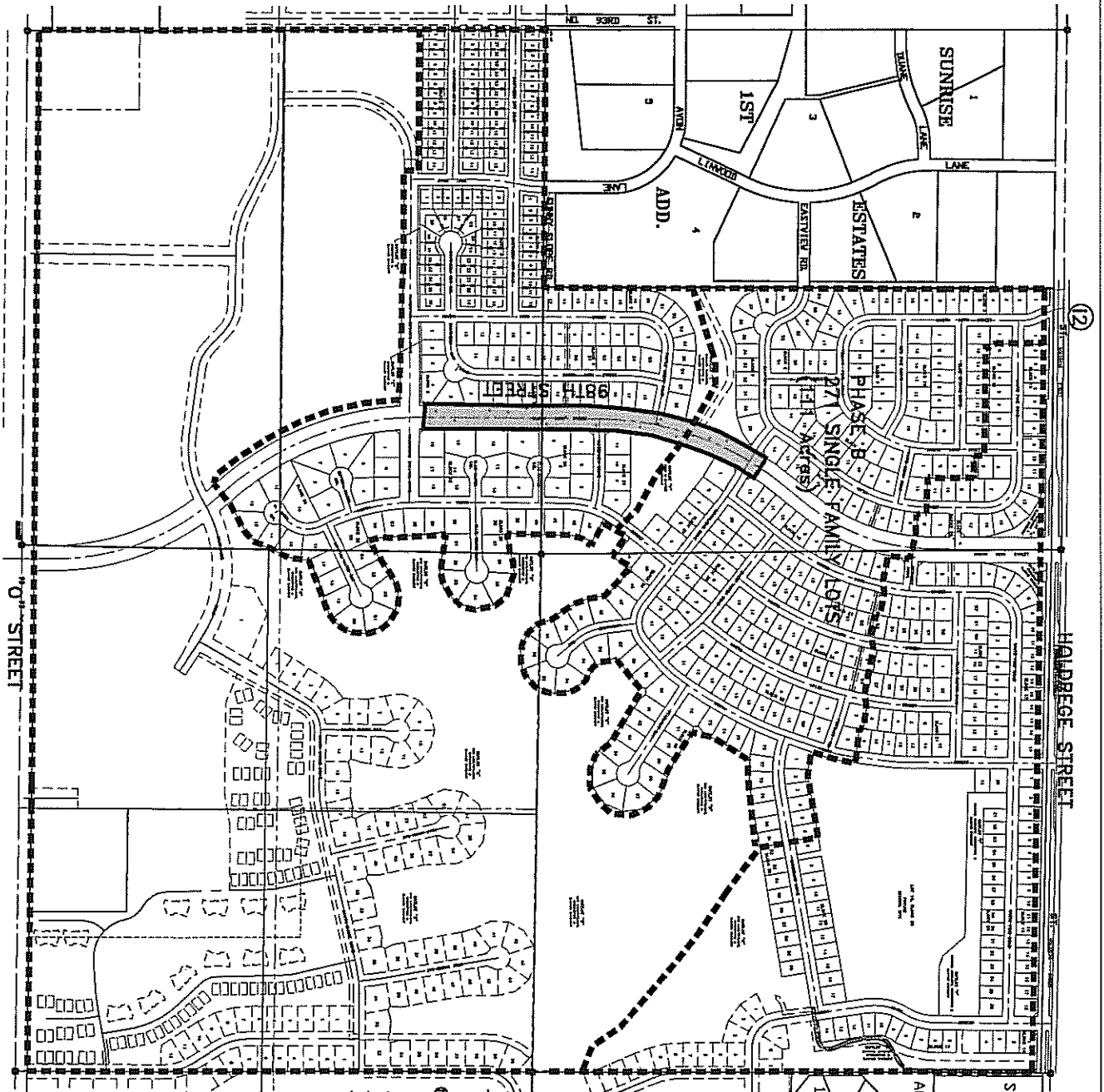
\$500,000

\$500,000

1. THE ESTIMATED PER-SITE COSTS HAVE BEEN CALCULATED USING COSTS FOR THE DUNKLEMAN TRACT, BUT NOT THE OTHER TRACTS. THEY HAVE BEEN ADJUSTED TO REFLECT A 3% ANNUAL INFLATION RATE.
2. THE APPROXIMATE PHYSING MAY BE ACCELERATED BY THE MARKET DECREASES. THE COSTS NEEDED FOR PHYSING ARE THE APPROXIMATE YEARS WHEN OCCUPANCY OF HOUSES OCCURS.
3. THE LOCATION OF IMPROVEMENTS IS CONCEPTUAL, AND IS SHOWN FOR ILLUSTRATIVE PURPOSES ONLY. THE ACTUAL LOCATION WILL BE DETERMINED DURING THE DESIGN.

NOTE:

Attachment "E"



NOTE:

1. THE ESTIMATED OFF-SITE COSTS HAVE BEEN CALCULATED USING COSTS BASED ON THE 2008.09.10 DATE. IF FUTURE COSTS ARE AVAILABLE, THEY HAVE BEEN ADJUSTED TO REFLECT A 1% ANNUAL INFLATION RATE.
2. THE APPROXIMATE PHASING MAY BE ADJUSTED IF THE MARKET DICTATES. THE DATES NOTED FOR PHASING ARE THE APPROXIMATE YEARS WHEN OCCUPANCY OF HOUSES OCCURS.
3. THE LOCATION OF IMPROVEMENTS IS CONCEPTUAL AND IS SHOWN FOR ILLUSTRATIVE PURPOSES ONLY. THE ACTUAL LOCATION WILL BE DETERMINED DURING FINAL DESIGN.

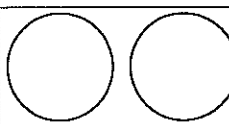
**PHASE B (2008.09.10)
ESTIMATED OFF-SITE COSTS:**

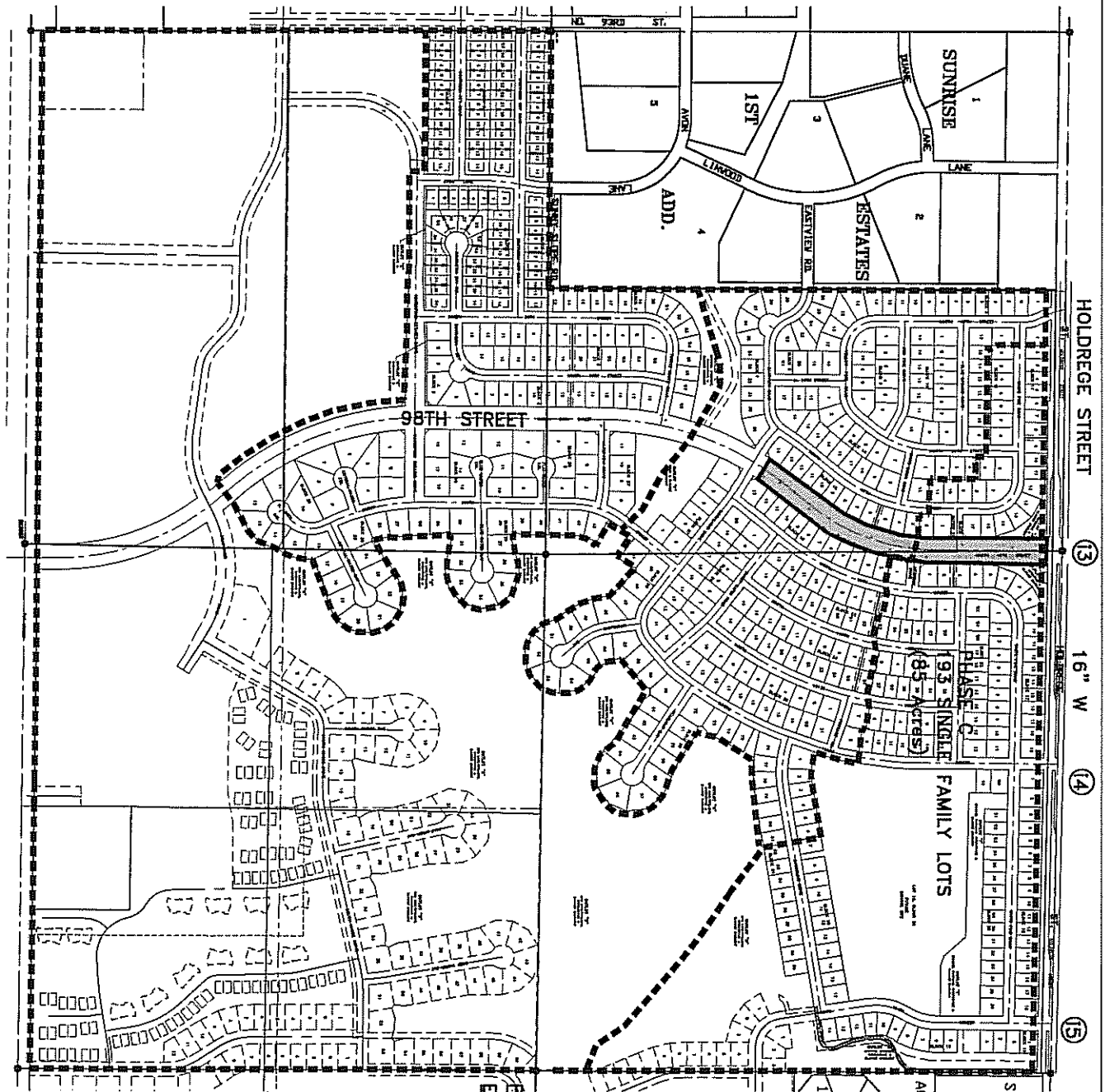
ROADS:	COST	ANTICIPATED DISCU. SCHEDULE
98TH ST - 2,100 LF OF 3 LANE SECTION	\$957,600	2010/2011
C/LANE SECTION @ \$150 / LF		
TEMP. INTERSECTION IMPROVEMENTS	\$ 50,000	
TOTAL COST:	\$1,007,600	
TOTAL REIMBURSEABLE COSTS:	\$957,600	
TOTAL NON-REIMBURSEABLE COSTS:	\$50,000	

Attachment "E"

REVISIONS

NO.	DATE	DESCRIPTION





PHASE C (2011,12)
ESTIMATED OFF-SITE COSTS:

ROADS:	COST	ANTICIPATED ESCAL. SCHEDULE
98TH ST. - 1300 LF OF 3 LANE SECTION @ \$158/LF	\$192,800	2010/2011
98TH ST. TEMP. INTERSECTION IMPROVEMENTS	\$50,000	2010/2011
TEMP. INTERSECTION IMPROVEMENTS	\$50,000	
TOTAL COST:	\$742,800	
TOTAL REIMBURSEABLE COSTS:	\$642,800	
TOTAL NON-REIMBURSEABLE COSTS:	\$100,000	

NOTE:

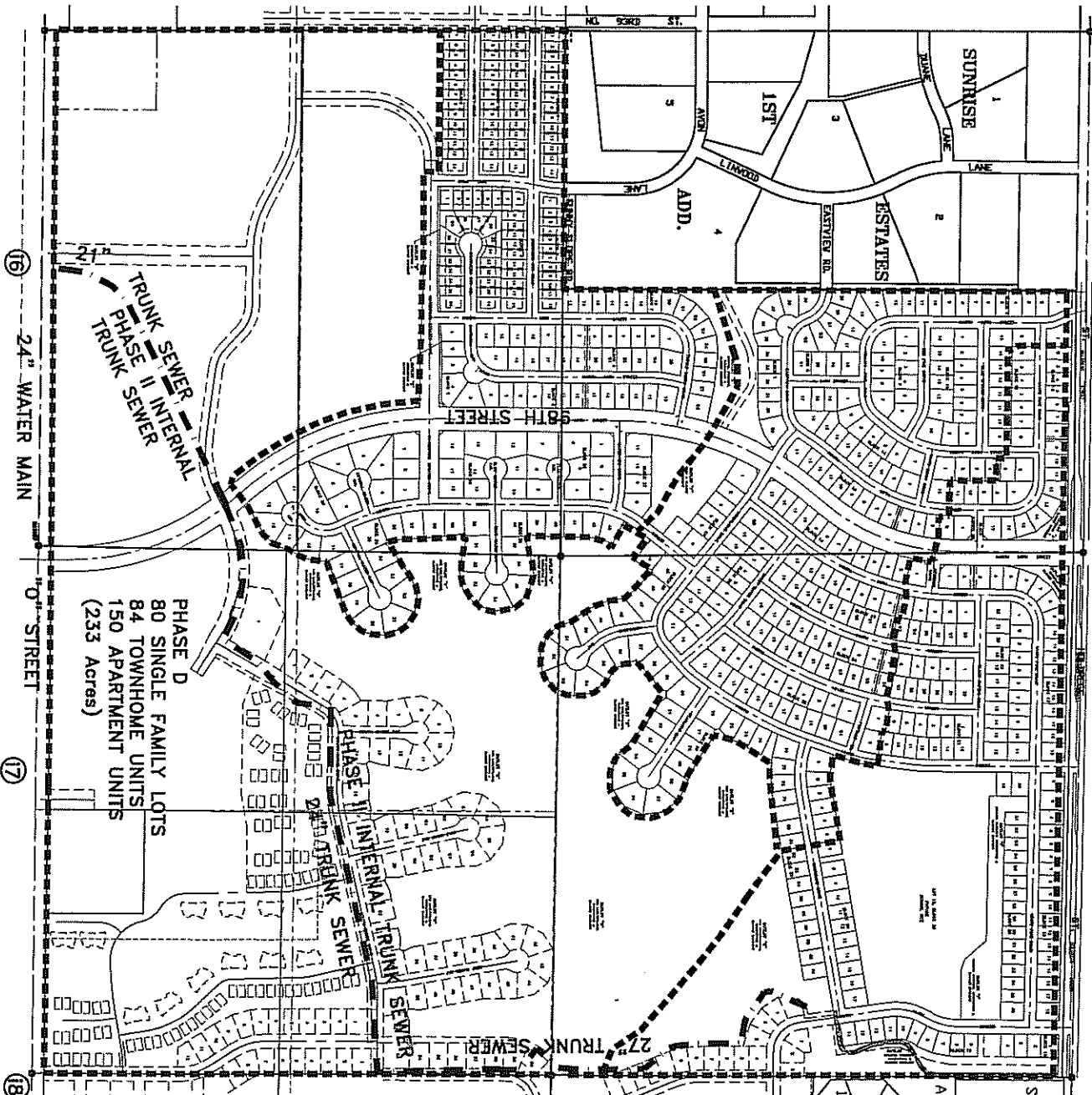
1. THE ESTIMATED OFF-SITE COSTS HAVE BEEN CALCULATED USING COSTS ASSUMED TO BE THE MARKET COSTS FOR THE PROJECT. THEY HAVE BEEN ADJUSTED TO REFLECT A 3% ANNUAL INFLATION RATE.
2. THE APPROPRIATE PHASING MAY BE ACCORDANT WITH THE MARKET DYNAMICS. THE DATES NOTED FOR PHASING ARE THE APPROXIMATE DATES WHEN OCCUPANCY OF HOUSES OCCURS.
3. THE LOCATION OF IMPROVEMENTS IS CONCEPTUAL AND IS SHOWN FOR ILLUSTRATIVE PURPOSES ONLY. THE ACTUAL LOCATION WILL BE DETERMINED DURING FINAL DESIGN.



Attachment "E"

<p>3 OF 4</p>	<p>WATERFORD ESTATES PHASE C UTILITIES & PAVEMENT SCHEDULE</p>	<p>REVISIONS</p> <table border="1"> <tr> <th>NO.</th> <th>DESCRIPTION</th> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </table>		NO.	DESCRIPTION									<p>OLSSON ASSOCIATES DESIGNERS - PLANNERS - ENGINEERS 7111 LINCOLN HWY. - LINCOLN, NEBRASKA 68504-1001 - TEL: 402-426-0000 FAX: 402-426-0001</p>
		NO.	DESCRIPTION											
<p>LINCOLN, NEBRASKA 3/30/08</p>														

HOLDREGE STREET



TRUNK SEWER
PHASE II INTERNAL
TRUNK SEWER

PHASE D
80 SINGLE FAMILY LOTS
84 TOWNHOME UNITS
150 APARTMENT UNITS
(233 Acres)

PHASE I INTERNAL TRUNK SEWER

27" TRUNK SEWER

NOTE:

1. THE ESTIMATED OFF-SITE COSTS HAVE BEEN CALCULATED USING COSTS ASSIGNED IN THE DAWSON CAPITAL COST OF GROWTH REPORT. THEY HAVE BEEN ADJUSTED TO REFLECT A 3% ANNUAL INFLATION RATE.
2. THE APPROXIMATE PHASING MAY BE ACCENTUATED IF THE MARKET DICTATES. THE DATES NOTED FOR PHASING ARE THE APPROXIMATE YEARS WHEN OCCUPANCY OF HOUSES OCCURS.
3. THE LOCATION OF INTERSECTIONS IS CONCEPTUAL AND IS SHOWN FOR ILLUSTRATIVE PURPOSES ONLY. THE ACTUAL LOCATION WILL BE DETERMINED DURING FINAL DESIGN.



PHASE D (2013,14,15,16) ESTIMATED OFF-SITE COSTS:

SANITARY SEWER		COST	ANTICIPATED FISCAL SCHEDULE
3,310 LF OF 27" INTERNAL TRUNK SEWER		\$971,530	2012/2013
2,021 LF OF 24" INTERNAL TRUNK SEWER		\$404,465	2012/2013
500 LF OF 21" INTERNAL TRUNK SEWER		\$71,282	2012/2013
TOTAL		\$1,208,277	
REIMBURSABLE COSTS BY THE CITY OF LINCOLN:		\$1,208,277	
ROADS:			
① TEMP. INTERSECTION IMPROVEMENTS		\$50,000	
② TEMP. INTERSECTION IMPROVEMENTS		\$50,000	
③ TEMP. INTERSECTION IMPROVEMENTS		\$50,000	
TOTAL		\$150,000	
REIMBURSABLE COSTS BY THE CITY OF LINCOLN:		\$150,000	
TOTAL COST:		\$1,358,277	
TOTAL REIMBURSABLE COSTS:		\$1,208,277	
TOTAL NON-REIMBURSABLE COSTS:		\$150,000	

Attachment "E"

WATERFORD ESTATES
PHASE D UTILITIES & PAVEMENT
SCHEDULE

LINCOLN, NEBRASKA

3/30/06

REVISIONS

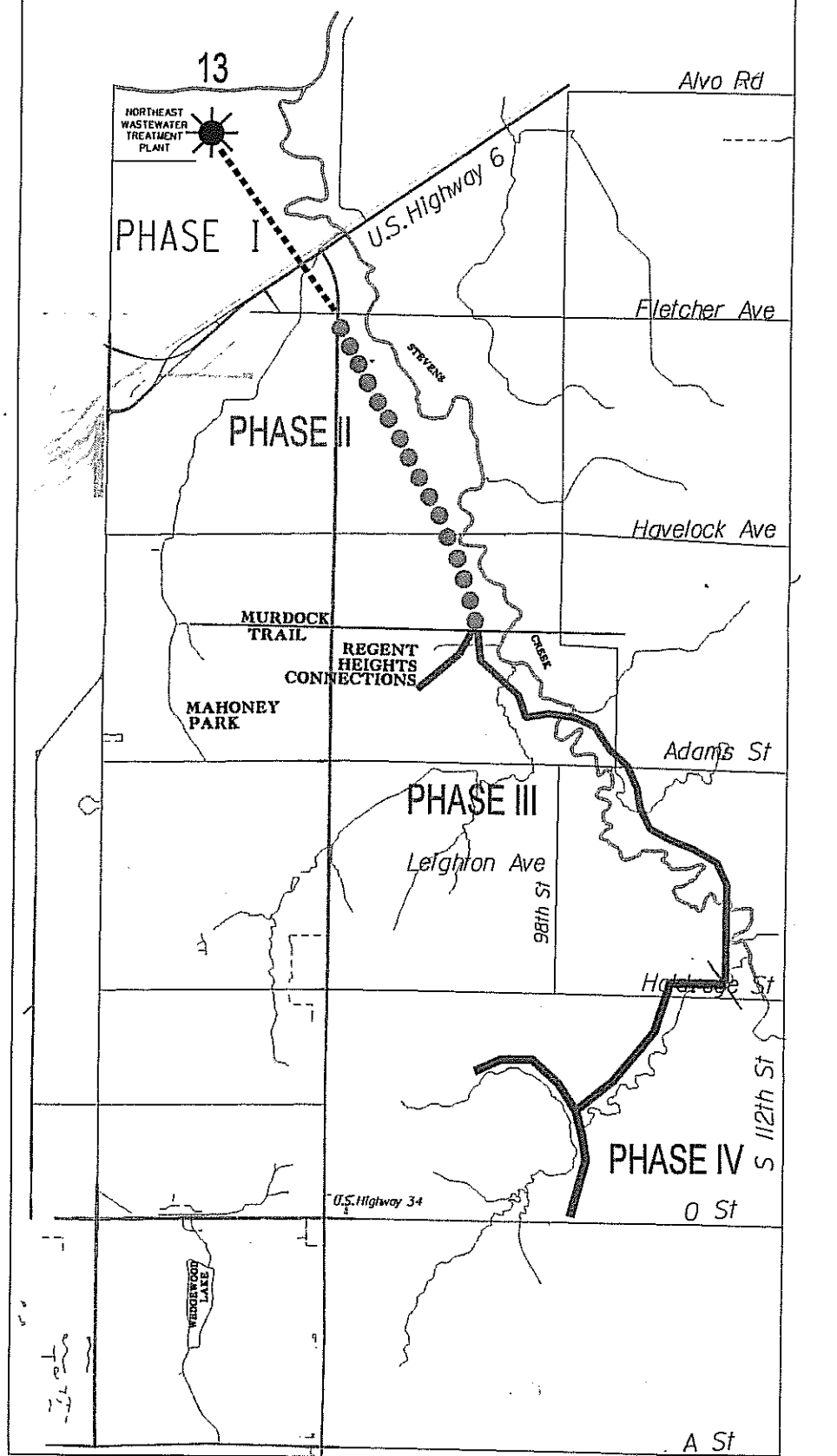
NO.	DESCRIPTION
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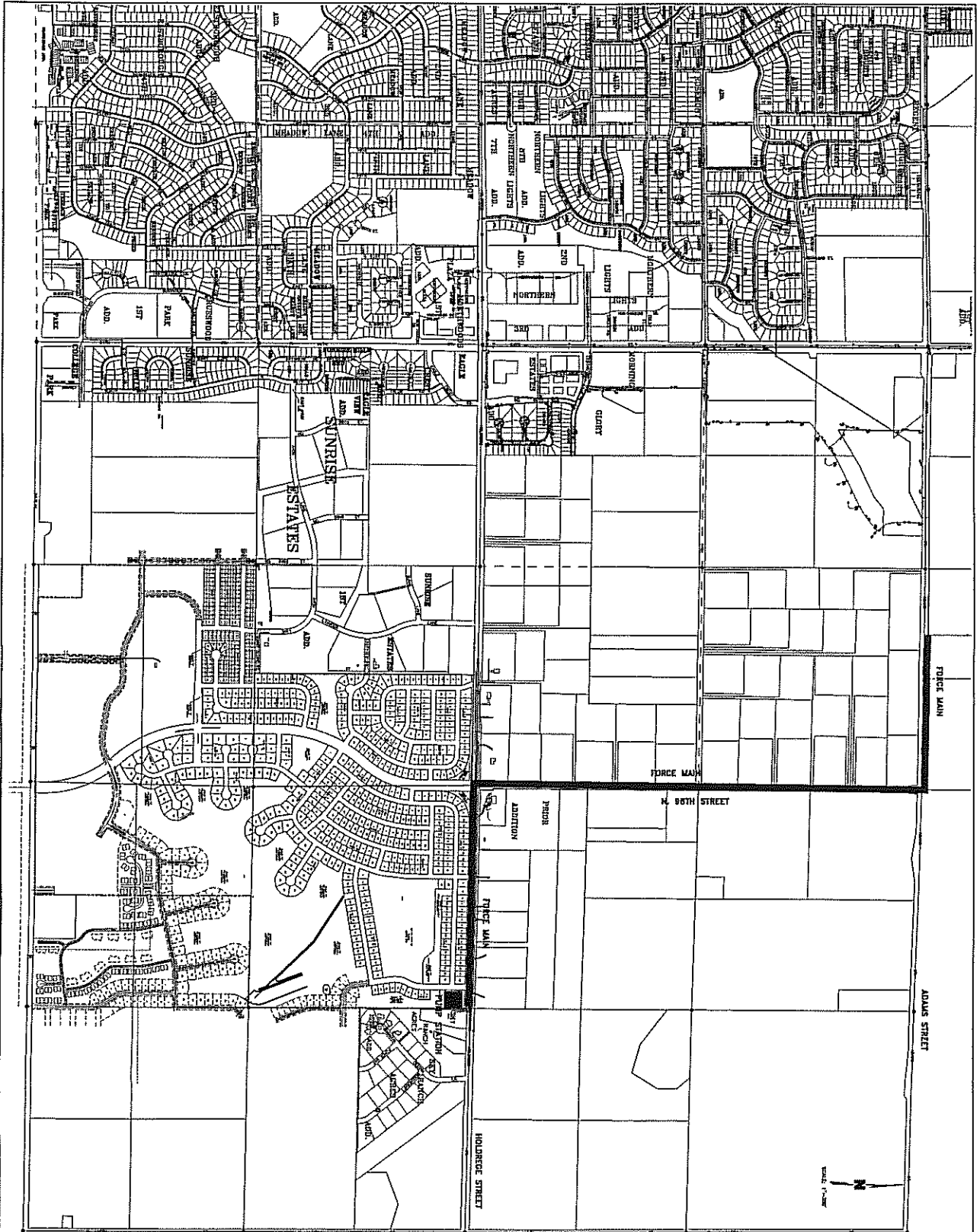


OLSSON ASSOCIATES, INC.
1111 LINCOLN BLVD. - SUITE 200 - LINCOLN, NEBRASKA 68502-1111
TEL: 402-441-1111 FAX: 402-441-1112
WWW.OLSSONASSOCIATES.COM

Waterford Estates (Phases A, B, C and D)		Updated October 21, 2005									
Estimated Developer Contribution											
Using January 1, 2005 Impact Fee Schedule											
(schedule includes recent inflation adjustment)											
	Dwelling Units	Number of Meters	Water Meter Size	Water System	Water Distribution	Waste-water	Arterial Street	Park & Trail			
Single Family Detached	444	444	3/4"	\$226,440.00	\$140,748.00	\$181,596.00	\$832,944.00	\$144,744.00			
Single Family Detached	222	222	1"	\$188,700.00	\$117,216.00	\$151,404.00	\$416,472.00	\$72,372.00			
Single Family Attached	190	190	3/4"	\$96,900.00	\$60,230.00	\$77,710.00	\$188,290.00	\$52,060.00			
Multi-Family	150	1	6"	\$17,010.00	\$10,554.00	\$13,632.00	\$171,300.00	\$28,950.00			
Dwelling Unit Subtotal	1,006										
	Floor Area										
No site plans submitted, so used	0	0	1 1/2"	\$0.00	\$0.00	\$0.00	\$0.00	n/a			
	0	0	1 1/2"	\$0.00	\$0.00	\$0.00	\$0.00	n/a			
Shopping Center (100,000-299,999 sq)	280,000	14	1 1/2"	\$23,814.00	\$14,770.00	\$19,082.00	\$695,520.00	n/a			
Assumed 10,000 sq. ft. per acre on	0	0	1 1/2"	\$0.00	\$0.00	\$0.00	\$0.00	n/a			
28 acres and 14 separate buildings.	0	0	1 1/2"	\$0.00	\$0.00	\$0.00	\$0.00	n/a			
	0	0	1"	\$0.00	\$0.00	\$0.00	\$0.00	n/a			
Floor Area Subtotal	280,000										
Grand Total Contribution =	\$3,942,458			\$552,864.00	\$343,518.00	\$443,424.00	\$2,304,526.00	\$298,126.00			

STEVEN'S CREEK TRUNK SEWER PHASING PLAN





WATERFORD ESTATES ATTACHMENT "J"		REVISIONS <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 5%;">NO.</th> <th style="width: 15%;">DATE</th> <th style="width: 80%;">DESCRIPTION</th> </tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </table>	NO.	DATE	DESCRIPTION																															2004	LINCOLN, NEBRASKA	 OLSSON ASSOCIATES ENGINEERS • PLANNERS • ARCHITECTS • SURVEYORS <small>400 UNIVERSITY & 1000 UNIVERSITY AVENUES • SUITE 200 • LINCOLN, NEBRASKA 68502 (402) 441-1111 • FAX (402) 441-1112 • WWW.OLSSONASSOCIATES.COM</small>
NO.	DATE	DESCRIPTION																																				

Policy on Temporary Pump Stations & Force Mains

Approved by the Lincoln City Council on December 6, 2004

Resolution A-83112

For decades the community has been well served by its policy to use a gravity based sanitary sewer system. This policy has led to more efficient and cost effective utility service for the citizens and rate payers. Alternatives, such as relying on pump stations, are more expensive to maintain and operate in the long run.

More importantly, the gravity system is a fundamental tool of the City's infrastructure and community planning that has allowed Lincoln to grow in a more contiguous and predictable manner in order to meet the community's goals.

The 2025 Lincoln/ Lancaster County Comprehensive Plan states:

"The City's collection system, in general, will continue to be a gravity fed system that is designed to accommodate urbanization of drainage basins and sub-basins. This system encourages orderly growth within the natural drainage basin boundaries. This policy encourages urban growth from the lower portion of the drainage basin and prohibits pumping of wastewater across basin boundaries. Explore alternative methods, such as lift stations, where practical."

The adopted City of Lincoln sanitary sewer design standards state:

"The various elements of the sanitary sewer system in the City of Lincoln are designed to handle only that wastewater contribution which originates within the natural surface watershed where in the sanitary sewer system is located. The transfer of wastewater from one watershed to another by any means, such as lift station or construction of a sanitary sewer which cuts through the ridge separating the watersheds, shall not be permitted."

In light of developer requests to waive this standard and permit temporary pump stations and force mains, such requests will be considered based on the criteria on the following pages.

1. **Temporary Basis:** Pump stations are more expensive to maintain and operate than gravity systems and will only be allowed on a temporary basis. Gravity flow sanitary sewer lines are still the best and most cost efficient long term method to provide service. Temporary shall mean a period up to six years, at which point the new gravity line is built allowing the facility to be discontinued. As soon as the gravity line is available, the pump station shall be discontinued and removed.
2. **Priority A Areas Only:** Pump stations and force mains shall only be allowed in Tier I - Priority A areas; provided that the gravity trunk line to the service area is in the 6 Year Capital Improvement Program (CIP) with funding clearly identified.
3. **Limited Use:** The City of Lincoln's gravity sewer system policy has served the community well for decades. It is the most efficient and cost effective system for the citizens and rate payers of Lincoln. Pump stations and force mains shall only be used in unusual circumstances for a substantial public benefit. It is anticipated that temporary pump stations may only be used one or two times in the entire Lincoln area. In the vast majority of situations, gravity sewer should be used, even if the trunk line construction is several years away. Pump stations and force mains are to be temporary due to a delay in the construction of the gravity line.
4. **Impact on Other Services:** Use of a pump station to advance development may also impact the provision of other public services. Thus, the developer must address the following information (based on principles for serving Priority B areas before Priority A areas, page F 30 of the Comprehensive Plan):
 - a. "Demonstrate how the necessary infrastructure improvements to serve the sub-basin would be provided and financed. The City shall contact other public agencies to obtain their report on the infrastructure necessary to serve the sub-basin including utilities, roads, fire service, public safety, parks, trails, schools and library needs.
 - b. The impact that development in the sub-basin will have on capital and operating budgets, level of service, service delivery and Capital Improvement Programs is addressed.
 - c. There is demonstrated substantial public benefit and circumstances that warrant approval of the proposal in advance of the anticipated schedule."
5. **Crossing Creeks:** Permanent lift stations to transfer sewage from one side of a creek to the other, as part of gravity system have always been permitted. There are circumstances where a lift station to cross a creek is the best solution instead of siphons. This has been a policy and practice of the city for decades.
6. **Receiving Sewer Line Capacity:** The receiving trunk and/or smaller line must have capacity based on current and projected flows to receive the extra flow during the temporary basis. The projected capacity should assume a full buildout of any land that is already planned to be served in the Comprehensive Plan, then projected capacity should be based on a reasonable buildout of any undeveloped land.

7. **Basins with Sewer Line Capacity:** The following sanitary sewer trunk lines have capacity as of this date (assuming projected Tier I development)

Lines With Capacity

- West O
- Little Salt

Lines Without Capacity

- Havelock
- Dead Man's Run
- East Campus
- Antelope Creek
- Beal Slough
- Salt Creek (south)
- Middle Creek
- Oak Creek
- Lynn Creek

"Lines Without Capacity" is based on current and projected flows and could not be pumped into unless there is capacity based on a reasonable buildout of the area to be served. In some situations, once major improvements to a few of these lines are made, then there may be some capacity.

The new Stevens Creek trunk line, when constructed, would have capacity. The new Salt Valley relief trunk line is designed for a specific service area and will be considered at capacity.

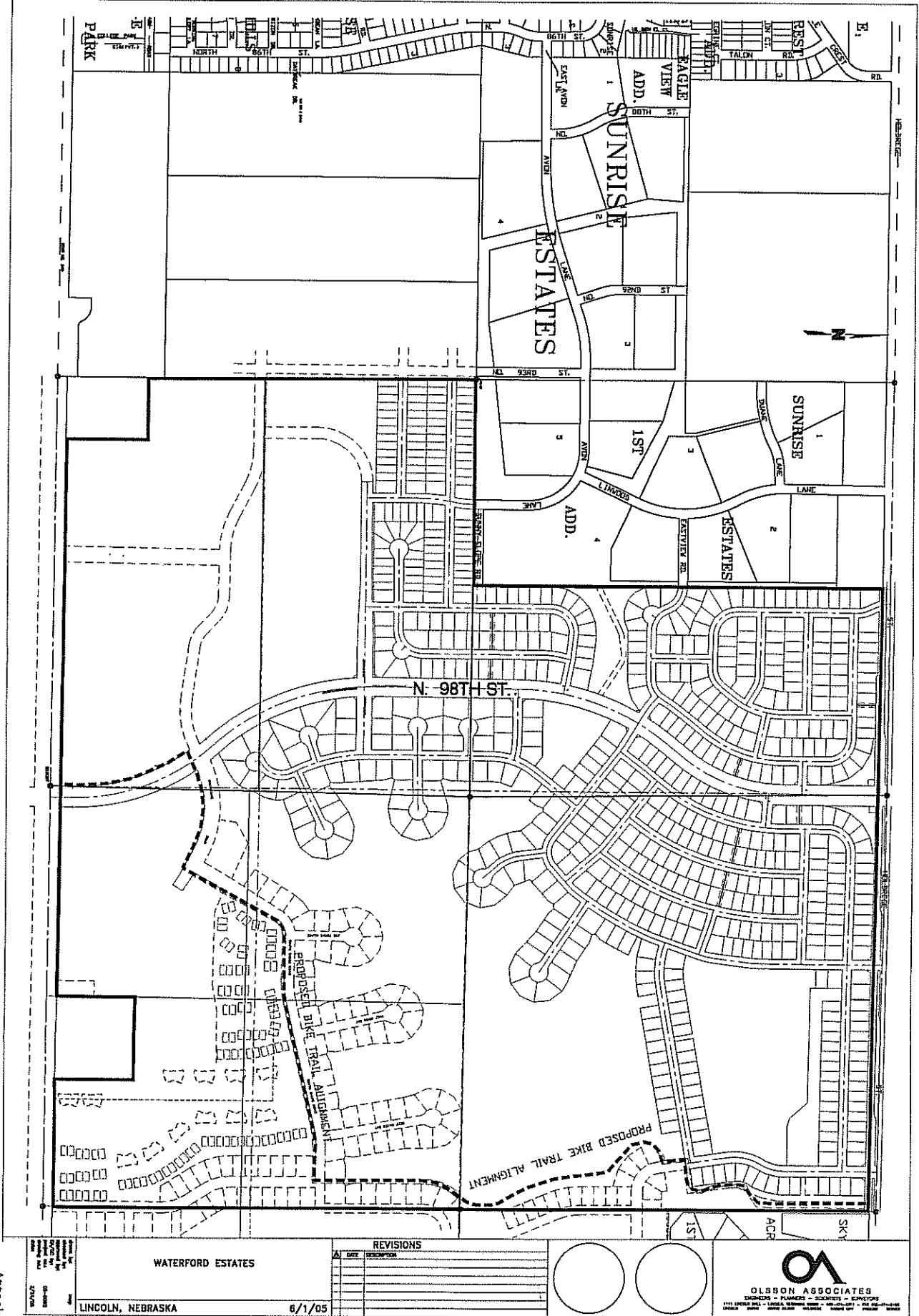
8. **Use of Storage Tanks:** The use of storage tanks is prohibited. Developments have proposed building storage tanks in order to pump the waste out at night in areas where the existing pipes are at capacity. There are compelling technical and operational problems with storing effluent for a period beyond a few hours. For example, there are odor problems and the waste when held for a long period can cause corrosion problems in pipe lines. A pump station is typically designed to pump all the waste out every 2 to 3 hours, which is the longest period the waste should be held.
9. **Service Area of Pump Station:** The pump station and force main should be sized to serve Tier I, Priority A land that is in the same sub-basin which naturally drains to the pump station. Pump stations to benefit and serve a single property are discouraged. Small pump stations are inefficient to operate. Pump stations should be designed to serve at least 500 to 1,000 acres. The area to be served by the pump station must be contiguous to the city limits. This policy is not intended to permit "leap frog" or growth that is not contiguous to the city. Any land to be served must be inside the city limits prior to service.
10. **Length of Force Main:** Even if fully funded by a developer, building long force mains rather than a gravity sewer lines is inefficient use of the future homeowner's financial resources. The longer time it takes to transport the waste, the greater potential for problems with respect to corrosion and odor. The transit time must be based on estimated sulfide generating capacity (or offset by chemical addition). The developer must ensure reasonable velocity with at least 4 to 5 feet per second (fps) at least 1x/day. It will be important to make appropriate use of air relief valves, blowoffs, oxygen injection (if needed), in accordance with City design standards. To protect against peak flow impacts of major storm events, the pump station should be sunk in the ground and with an enlarged pipe coming in to the pump station to provide additional storage (Hydraulic Institute Standards 98). Standards will be needed for acceptable chemicals for use in pump station odor control.

11. **Notification of Other Affected Properties:** The City is responsible for contacting all other property owners that may reasonably be served by a pump station, early in the review process. This will allow other owners to have the same information and determine their interest in the potential pump station.
12. **Location of Pump Stations:** The developer is responsible for all costs involved in acquiring suitable land for the pump station and any costs for providing access drives to the facility. Pump stations shall not be in public right-of-way. The developer shall be solely responsible for all costs of any environmental analysis needed to locate the facility.
13. **Obtaining Right-of- Way and Easements:** The developer shall be solely responsible for all costs of obtaining right-of-way and easements without any reimbursement from the City or third parties. Force mains will be allowed to be located in arterial street right-of-way, if space is available. If the force main is to be abandoned after conversion to a gravity system, the developer must prove that there is adequate right-of-way for the unused force main and all other utilities typically found in the right-of-way.
14. **Construction:** The developer shall be solely responsible for all costs of constructing the pump station and force main. Construction plans shall be approved by the Director of Public Works and Utilities Department and be per city standards. Pump stations and force mains are considered temporary facilities and thus are not eligible for reimbursement under the Impact Fee Ordinance. Any construction will be solely at the cost of the developer without reimbursement from the City.
15. **Pump Station Design Specifications:** The developer will conform to the City design specifications for temporary pump stations and force mains as developed by the Director of the Public Works & Utilities Department. Even with the design standards, there may be additional review time required for the pump stations since they are uncommon in Lincoln. All costs for any additional review time, outside of the normal EO process, of the pump station and force main shall be paid for by the developer.
16. **Third Party Connections:** Provided there is downstream capacity, when another party other than the developer connects to the pump station that party shall reimburse the developer for their "fair share" of the cost of constructing and operating the pump station and force main (including design and soft costs.) The method and formula for contribution is to be determined.
17. **Ownership and Operation:** The developer will own the pump station, land and easements, and the City will operate the pump station and force mains once inspections have been completed and the facilities are found acceptable. Pump stations in general are costly to maintain and operate and take staff dedicated to handle some time late night calls on failures and problems. Pump stations should be avoided and the City accepts operation responsibilities only to avoid problems of an inexperienced or inaccessible private operator would inadequately respond to complaints or emergency situations.

18. **Operating, Repair and Maintenance Costs:** There are substantial operation, repair and maintenance costs for a pump station and force main. The City may be required to hire additional staff to operate the facility. This requires specialized training and employees with this training are difficult to find and hire. The developer will be responsible for all costs for operating and maintaining the pump station and force main during the life of the facility. The costs of operating, maintenance, upgrading, permitting, administering, all are costs of the system that must be covered by the developer. The developer will be billed for the cost, who in turn may collect from property owners who connect to the facilities. The City does not want the additional cost of collecting from multiple property owners.

The developer will need to provide a bond for the operating costs over the full estimated life time of the facility at time of Annexation Agreement. The preliminary estimate for the operating, repair and maintenance costs is \$25,000 per year. The bond will be estimated on a case by case basis depending upon the size and operation of the pump station and force main. The amount of the bond may be reduced each year, if the sanitary sewer trunk line progresses forward in the CIP, as long as at least two years of costs is provided.

19. **Closing of the Pump Station:** Once the station is decommissioned, the developer and any third parties will be billed all costs involved in decommissioning the station.
20. **Salvage Rights:** The developer shall fund all costs associated with properly abandoning the temporary pump station and force main, including any costs for restoring all property in or adjacent to the easements. The developer shall fund all costs associated with closing and removing the pump station. The developer shall have full salvage rights to the building, equipment and land for the pump station after it is closed. The future use of the land for the pump station shall be identified prior to approving the station.
21. **Notification:** The developer shall notify all property owners who will connect to the facility of the temporary pump station and cost obligations.



Attachment "J"

<p>WATERFORD ESTATES</p> <p>LINCOLN, NEBRASKA</p>		<p>6/1/05</p>	<p>REVISIONS</p> <table border="1"> <thead> <tr> <th>NO.</th> <th>DATE</th> <th>DESCRIPTION</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	NO.	DATE	DESCRIPTION																<p>OLSSON ASSOCIATES</p> <p>ENGINEERS - PLANNERS - ARCHITECTS - SURVEYORS</p> <p>1111 LINCOLN BLVD. - LINCOLN, NEBRASKA 68502-1111</p> <p>TEL: 402-441-1111 FAX: 402-441-1112</p> <p>WWW.OLSSON-ASSOCIATES.COM</p>
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